

# SENATE BILL REPORT

## ESB 5513

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As Passed Senate, March 14, 2005

**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: 1/27/05, 2/22/05 [DPS].

Passed Senate: 3/14/05, 45-3.

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** That Substitute Senate Bill No. 5513 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Jacobsen, Vice Chair; Swecker, Ranking Minority Member; Eide, Esser, Kastama, Oke, Spanel and Weinstein.

**Staff:** Kelly Simpson (786-7403)

**Background:** Under current law, the Washington Transportation Commission oversees the Washington State Department of Transportation (WSDOT) and appoints the Secretary of Transportation. 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 twelve senators and twelve 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 Bill:** The Secretary of Transportation is appointed by the Governor, with the advice and consent of the Senate, and serves at the pleasure of the Governor. The Secretary assumes authority previously directed to the Washington Transportation Commission to propose the WSDOT agency budget and to authorize departmental request legislation.

The Washington Transportation Commission retains certain authority, 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. Additionally, the Commission receives an expanded role as a public forum for transportation policy development.

The Transportation Policy Institute (TPI) is established within the Washington Transportation Commission, to conduct research, prepare studies, and periodically submit recommendations to the Legislature regarding transportation policy issues of statewide significance. The TPI is governed by a Board of Directors composed of seven voting members as follows: four legislators, two Commission members, and the Secretary of Transportation. 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. The Commission must provide staff support to the TPI. The TPI may appoint working groups, which may include nonlegislators or other legislators from the standing committees on transportation.

The LTC is dissolved. The LTC staff support of TPAB is removed and replaced with staff support provided by the Washington Transportation Commission; however, the Commission must designate, subject to TPAB approval, a staff person to serve as the TPAB administrator. The TPAB has separate authority to direct performance audits. The TPAB administrator must, to the greatest extent possible and subject to available funds, hire private consultants to conduct the performance audits. However, the TPAB may contract with the legislative auditor to serve as the contract manager of the reviews and performance audits. The TPAB's authority regarding directed agency reviews, and functional and performance audits, is expanded to include certain local transportation entities.

The TPAB membership is adjusted and is composed of four legislators, three citizen members with specified transportation-related expertise and two citizen members with performance measurement expertise to be appointed by the Governor, one member of the Transportation Commission, an at large member appointed by the Governor, and the legislative auditor as an ex officio member.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** Yes.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 2005, except for section 103 which takes effect on July 1, 2006.

**Testimony For:** Restructuring the Transportation Commission every so often may be a good thing, considering the intent section in the Commission's original enabling legislation. Currently, 41 states have their Governor appoint the DOT Secretary, with 27 Secretaries serving less than two years. This raises an issue of continuity and may present a problem under this legislation. If the Governor were to have control over WSDOT policy, then what role would the Transportation Commission have? It is somewhat unclear as to who would have a role in formulating state transportation policy under this bill. The Commission currently has a role in serving as a sounding board for the public and it is not clear whether the Commission would continue to have that role under this bill.

The Blue Ribbon Commission on Transportation did recommend that the Governor should appoint the WSDOT Secretary. The Governor should be involved in transportation policy, but the Commission should continue to have an advisory role. Additionally, the TPAB membership should be altered to include a Commission Member and a non-transportation related individual. Finally, transportation policy, planning, and budget development should not be separated.

Some concerns were raised regarding dissolving the LTC, given its research and policy development role. It is important to continue to conduct bipartisan and bicameral transportation policy research.

**Testimony Against:** None.

**Who Testified:** PRO: Senator Haugen, prime sponsor; Gene Schlatter, Vulcan Inc.; Rick Wickman, Identity Clark County. CONCERNS: Dick Ford, Member, Washington Transportation Commission; Doug Hurley, Member, Transportation Performance Audit Board; Duke Schaub, Assoc. General Contractors - Washington. AVAILABLE FOR QUESTIONS: Paula Hammond & Leni Oman, WSDOT/WA State Transportation Center.

**House Amendment(s):** The amendment makes the following changes: (1) retains the Transportation Commission; (2) establishes the Joint Transportation Committee (JTC), to be composed of the chairs and ranking minorities of the House & Senate transportation committees as an executive board, and may include other members of the standing committees on transportation subject to executive committee appointment; (3) requires the JTC to conduct a study of state level transportation governance; and (4) revises the composition of the TPAB to include two citizens with performance measurement experience and a member of the Transportation Commission.

Passed House: 95-3.