

SENATE BILL REPORT

ESSB 6800

As Passed Senate, February 11, 2006

Title: An act relating to streamlining state transportation governance.

Brief Description: Refining the roles of the transportation commission and department of transportation.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Haugen, Jacobsen and Rockefeller; by request of Governor Gregoire).

Brief History:

Committee Activity: Transportation: 1/24/06, 1/31/06 [DPS].

Passed Senate: 2/11/06, 39-0.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 6800 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Jacobsen, Vice Chair; Poulsen, Vice Chair; Benson, Ranking Minority Member; Benton, Berkey, Eide, Esser, Finkbeiner, Kastama, Mulliken, Oke, Sheldon, Spanel, Swecker and Weinstein.

Staff: Kelly Simpson (786-7403)

Background: During the 2005 legislation session, ESB 5513 was enacted restructuring statewide transportation governance. The Washington State Department of Transportation (WSDOT) was made a cabinet level agency and the Secretary of Transportation was appointed by the Governor, serving at the pleasure of the Governor. The Secretary assumed authority previously directed to the Washington Transportation Commission (Commission) to propose the WSDOT agency budget and to authorize departmental request legislation.

The Commission retained certain authority, including statewide transportation planning, bond issuance approval, serving as the state's tolling authority, setting ferry fares, and sharing responsibility for project selection and funding. Additionally, the Commission received an expanded role as a public forum for transportation policy development.

The Transportation Performance Audit Board (TPAB) was granted separate authority to direct performance audits, and its authority regarding directed agency reviews, and functional and performance audits, was expanded to include certain local transportation entities. However, on November 8, 2005, voters approved Initiative 900 requiring the State Auditor to conduct performance audits of state and local governments, including "state and local transportation governmental entities and each of their agencies, accounts, and programs" I-900 dedicates a percentage of the state sales and use tax for this purpose. Additionally, the 2005 transportation revenue bill (ESSB 6103) authorized the State Auditor to conduct performance audits for transportation-related agencies and appropriated \$4 million for this purpose.

Summary of Bill: The roles and responsibilities of WSDOT and the Commission are revised.

WSDOT obtains the following responsibilities, in addition to various administrative duties, from the Commission: (1) approving bond issuance; and (2) adopting a functional classification of highways, including the designation of highways of statewide significance.

The Commission has the following responsibilities (among others):

- Adopting the comprehensive and balanced statewide transportation plan;
- Developing a comprehensive investment program, including programming and prioritization standards;
- Overseeing the Transportation Innovative Partnership Program;
- Conducting performance reviews of transportation-related agencies;
- Conducting public outreach;
- Setting tolls and ferry fares; and
- Recommending to the Governor and the Legislature improvements in certain transportation issue areas.

The composition of the Commission is revised as follows: (1) Commissioners may be removed by the Governor "for cause"; (2) limits on Commissioners' terms of office are removed; (3) the Governor, or his/her designee, is added as a nonvoting member; (4) the specific partisan and geographic membership requirements are revised; (5) the required minimum number of meeting days is revised; and (6) the maximum number of days for reimbursement of expenses is revised.

The TPAB is repealed.

Appropriation: None.

Fiscal Note: Available for original bill.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on July 1, 2006.

Testimony For: The bill enacted last year regarding restructuring statewide transportation governance was a good step toward better clarification of the roles and responsibilities of state transportation agencies, and for ensuring greater accountability. However, other changes are needed to continue the effort to streamline statewide transportation governance, particularly to further clarify that WSDOT is a true cabinet level agency like others under current law. The current Budget & Accounting Act has various oversight and accountability provisions applicable to state agencies. Transportation is far ahead of other areas with respect to performance auditing. This bill would establish clearer lines of responsibility. Legislative oversight of transportation agencies needs strengthening. Maintaining authority to conduct performance reviews would be a good step in this direction.

Testimony Against: None.

Testimony Other: The Legislature should decide fundamentally whether it wants an independent citizen oversight board for statewide transportation, i.e., the Commission, or not. If so, the Commission needs to have enough authority and responsibility such that it adds

value to the process. The current Commission membership represents diverse backgrounds and interests, and does provide an important service to the state.

Who Testified: PRO: Victor Moore, Governor's Office; Doug Hurley, Transportation Performance Audit Board.

OTHER: Al King, County Road Administration Board; Dan O'Neal & Dick Ford, Transportation Commission; Duke Schaub, Assoc. of General Contractors (Washington).

House Amendment(s): The House striking amendment essentially restores most of the original Senate version. The more significant changes in the striking amendment include:

- The composition of the Commission is maintained as follows: (1) Commissioners may not be appointed for more than two consecutive terms; and (2) four Commissioners must be from Western Washington, three Commissioners must be from Eastern Washington, and no more than two Commissioners may be from the same county.
- Commission still does the statewide transportation plan, but the plan must reflect priorities of government developed by the Office of Financial Management (OFM), as well as regional needs including multimodal transportation planning, and the plan requires Legislative approval.
- Commission to conduct studies as directed by either the Legislature or the Governor.
- Commission must get input from OFM in preparing the statewide multimodal transportation progress report, and propose priorities to OFM for the ensuing biennium.
- Commission makes recommendations to the Governor and the Legislature regarding reporting of performance against benchmarks, goals, and targets.
- Commission develops the ten-year investment program, which must be approved by the Legislature.
- Commission has authority to conduct performance reviews at its own discretion or at the request of the Governor or the Legislature.
- Commission must avoid duplication of effort in conducting performance reviews by coordinating with the State Auditor, JLARC, the Citizen Advisory Board, and the Governor's performance review process.
- The State Auditor, JLARC, and the director of OFM must annually report to the Commission concerning their performance improvement efforts to ensure coordination and avoid duplication of effort.
- Expert review panels are created in the Transportation Innovative Partnerships (TIP) program; panels will review selected projects and tentative agreements, and make recommendations to the Governor and the Commission. The Commission executes agreements upon consultation with the Governor.