
Transportation Committee

HB 1978

Brief Description: Concerning economic stimulus transportation funding and appropriations.

Sponsors: Representatives Clibborn, Liias and White; by request of Office of Financial Management.

Brief Summary of Bill

- Makes \$390 million in appropriations to advance two improvement projects and a number of preservation projects for the purpose of providing a stimulus to the state economy.

Hearing Date: 2/24/09

Staff: Mark Matteson (786-7145)

Background:

The 2003 Transportation (Nickel) Act increased the fuel tax rate by 5 cents. A bond bill was also enacted, supporting a \$4.2 billion program of projects over the course of 10 years underwritten by Nickel Act revenues. In 2005 the Legislature enacted the Transportation Partnership Act (TPA), providing an increase in the motor vehicle fuel tax rate of 9.5 cents, phased in over several years. Like the Nickel package, the TPA was enacted along with a bond bill that allowed for the early spending on \$8.5 billion in capital projects over 16 years.

Since the passage of the Nickel and TPA packages, the Legislature has developed and updated in each legislative session a constrained long-term financial plan to show how the use of Nickel and TPA funds will be used to finance a schedule of transportation projects. In the 2008 legislative session, the financial plan was updated for a 16-year period beginning with fiscal year 2008. The financial plan includes \$246 million in TPA funding to commence an improvement on Interstate 405 (I-405) from Northeast 8th Street to State Route 520 near downtown Bellevue to construct braided on- and off-ramps in order to relieve congestion and improve mobility. The plan assumes that construction begins in July 2009, with most of the construction and project

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expenditure occurring in the 2009-11 biennium, and that the project is operationally complete in June 2013. The 2008 financial plan also includes funding for aspects of the development of the U.S. Highway 395 (US 395) in the North Spokane Corridor, although funding is not provided for a fully operational facility. In addition, the financial plan includes a number of pavement preservation activities, although much of the activity in future years is not specifically identified as discrete projects.

In the 2009-11 budget proposal issued in December 2008, the Governor includes a constrained six-year financial plan for the development and implementation of capital transportation projects. The plan uses a different schedule for many of the projects than assumed in the 2008 legislative plan, in part to address declining transportation revenues and increasing project costs. In the Governor's plan, \$268 million is provided for the I-405 braided ramp project in Bellevue. While the Governor's plan assumes that the project is operationally complete in the timeframe envisioned by the 2008 Legislature, most of the construction and project expenditure is assumed to occur in the 2011-13 biennium. The Governor's plan also includes \$4 million for preliminary engineering on alignment for a segment of US 395 from Freya Street in Spokane to the Spokane River. The plan also includes almost \$200 million in additional paving preservation activity for 2009-11 than that planned for in the 2008 legislative financial plan.

On January 15, 2009, Governor Gregoire announced a stimulus plan for aiding the state economy. The announcement included \$390 million in spending on transportation projects, including \$277 million for the I-405 braided ramps project in Bellevue; \$15 million to further develop the US 395 segment in Spokane from Freya Street to Farwell Street; and \$98 million in spending on pavement preservation activity. For the I-405 braided ramps project, the plan is an adjustment of the delayed schedule proposed by the Governor in her budget proposal in December 2008.

Summary of Bill:

Appropriation authority of \$390 million is provided for two improvement projects and a number of pavement preservation projects. Authority is provided for expenditure in both the 2007-09 biennium and the 2009-11 biennium to allow maximum flexibility for project delivery.

Spending authority of \$277,371,000 is provided for the I-405 braided ramps project in Bellevue, including new authority of \$30 million of Motor Vehicle Account funds for the 2009-11 period. For the US 395/North Spokane Corridor project, new spending authority of \$15 million of Motor Vehicle Account funds is provided for the segment between Freya Street and Farwell Street in Spokane, with almost all the authority provided in the 2009-11 time frame. For pavement preservation, \$11.3 million in authority is provided in the 2007-09 period and \$86.7 million is provided for the 2009-11 period.

The intention of the legislation is to stimulate the state's economy and reduce unemployment.

Appropriation: The sum of \$390 million from various accounts are appropriated.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and is effective immediately.