

# HOUSE BILL REPORT

## HB 3179

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**As Reported by House Committee On:**  
Transportation

**Title:** An act relating to streamlining state transportation governance.

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

**Sponsors:** Representatives Murray and Woods; by request of Governor Gregoire.

**Brief History:**

**Committee Activity:**

Transportation: 2/6/06 [DPS].

**Brief Summary of Substitute Bill**

- Moves most powers, functions, and duties of the Washington Transportation Commission (Commission) to the Department of Transportation (DOT).
- Increases the role of the Office of Financial Management (OFM) in overseeing several functions of the DOT that were formerly within the Commission's purview.
- Transitions the functions of the Transportation Performance Audit Board (TPAB) to the OFM and the State Auditor, and expires the TPAB on June 30, 2007.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Murray, Chair; Wallace, Vice Chair; Appleton, Campbell, Clibborn, Dickerson, Flannigan, Hudgins, Kilmer, Lovick, Morris, Sells, Simpson, B. Sullivan, Takko, Upthegrove and Wood.

**Minority Report:** Do not pass. Signed by 12 members: Representatives Woods, Ranking Minority Member; Skinner, Assistant Ranking Minority Member; Buck, Curtis, Ericksen, Hankins, Holmquist, Jarrett, Nixon, Rodne, Schindler and Shabro.

**Staff:** David Bowman (786-7339).

**Background:**

The Washington Transportation Commission (Commission) has several responsibilities and roles in setting state transportation policy.

In 2005, the Legislature restructured statewide transportation governance, including among other things making the Washington State Department of Transportation (DOT) a cabinet level agency, with the Secretary of Transportation (Secretary) to be appointed by the Governor. The Secretary assumed authority previously directed to the Commission to propose the DOT agency budget and to authorize departmental request legislation.

Following the restructure, the Commission retained certain authority, including:

- statewide transportation planning;
- issuance and sale of all bonds authorized by the Legislature for capital construction of state highways, toll facilities, urban arterial projects, and aviation facilities;
- budget oversight, specifically the authority to approve limited transfers of funds for Nickel projects based on specific criteria, and transfers for transportation partnership projects;
- functional highway classification, and designation of highways of statewide significance;
- designating the state's freight and goods transportation system;
- adopting a comprehensive 10-year investment program;
- establishing performance measures and certify local public transportation agency maintenance and preservation management plans;
- receiving reports from the County Road Administration Board (CRAB) regarding maintenance of transportation assets;
- receiving preservation rating information on cities' and towns' arterial networks;
- preparing statewide multi-modal transportation progress report; and
- serving as the state's tolling authority and setting ferry fares.

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 (I-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. In 2005, the State Auditor was authorized to conduct performance audits for transportation-related agencies and appropriated \$4 million for this purpose.

The Transportation Innovative Partnerships (TIP) program was created to enable the DOT to enter into partnerships with private entities for the development of transportation facilities. The Commission has several responsibilities relating to the TIP program, including enacting rules for the proper acceptance, review, evaluation and selection of projects. After a tentative development agreement has been reached on an identified project, the Commission must

publish the proposed contract for 20 days, followed by a hearing to receive public comment. After receiving public comment and approving a public involvement plan, the Commission may execute the contract.

In 2002, the Legislature adopted certain recommendations of the state Blue Ribbon Commission on Transportation. Responding to a recommendation to adopt transportation benchmarks, the Legislature established policy goals for the operation of, performance of, and investment in the state's transportation system.

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### **Summary of Substitute Bill:**

The roles and responsibilities of DOT, the Commission, and the Office of Financial Management (OFM), are modified. During the next year, the TPAB is to transition its function of reviewing performance benchmarks to the OFM, and its performance audit function to the State Auditor. The TPAB will expire on June 30, 2007.

The DOT obtains the following responsibilities, in addition to various administrative duties, from the Commission: (1) adopting the comprehensive and balanced statewide transportation plan; (2) issuance, sale, and retirement of bonds; (3) developing, with OFM, a comprehensive investment program, including programming and prioritization standards, (4) overseeing the TIP Program; and (5) adopting a functional classification of highways, including the designation of highways of statewide significance.

The Commission retains the following responsibilities, among others:

- conducting public outreach;
- setting tolls and ferry fares; and
- recommending to the Governor and the Legislature improvements in certain transportation issue areas.

The OFM obtains the responsibilities of reviewing agency performance benchmarks; reviewing the Commission's operating budget; participating in duties concerning the investment program alongside the DOT; reviewing the DOT's use of transportation demand modeling tools and allocation of estimated revenue between preservation and improvement programs; approving rules and standards for benchmarks adopted by the DOT; and other administrative duties. The State Auditor is given the authority to conduct performance audits previously authorized to be performed by the TPAB.

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.

### **Substitute Bill Compared to Original Bill:**

The TPAB is extended until June 30, 2007, to transition its functions to other agencies during that time. The function of reviewing performance benchmarks will transition to the OFM. The function of conducting performance audits will transition to the State Auditor.

The transit mobility office statute, and the statute that sets forth the state's transportation benchmarks and goals, are retained. The \$450,000 appropriation from the multimodal transportation account to the OFM is deleted. References to the Secretary of the DOT are made consistent.

The \$4 million appropriation that had been enacted for the 2005-2007 biennium from the transportation partnership account to the State Auditor's office, for purposes of conducting performance audits of state agencies, is reinstated.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Substitute Bill:** The bill takes effect July 1, 2006.

**Testimony For:** None.

**Testimony Against:** None.

**Persons Testifying:** None.

**Persons Signed In To Testify But Not Testifying:** None.