

HOUSE BILL REPORT

ESHB 2304

As Amended by the Senate

Title: An act relating to transportation.

Brief Description: Adopting certain recommendations of the state Blue Ribbon Commission on Transportation.

Sponsors: By House Committee on Transportation (originally sponsored by Representatives Fisher, Jarrett, Kessler, Berkey, Sullivan, Dunshee, Lovick, Kenney, Lantz, Santos, Ruderman, Edwards, Murray, Rockefeller, Wood, O'Brien, Cooper, Haigh, Fromhold, Tokuda, Ogden, Romero, Cody, Darneille, Simpson, Linville, Upthegrove, Schual-Berke, Kagi and McIntire; by request of Governor Locke).

Brief History:

Committee Activity:

Transportation: 1/14/02, 1/16/02 [DPS].

Floor Activity:

Passed House: 1/18/02, 51-46.

Senate Amended.

Passed Senate: 1/26/02, 46-0.

Brief Summary of Engrossed Substitute Bill

- Policy goals are set forth, based on benchmark categories adopted by the Blue Ribbon Commission on Transportation. The Transportation Commission is required to establish specific performance measures.
- The Washington State Department of Transportation (WSDOT) and labor groups must work together to develop a financial incentive program to aid in employee retention and recruitment.
- The WSDOT is authorized to acquire, by contract, construction engineering consultant services from private firms, but only to augment the department's work force.
- The Apprenticeship Council is required to establish technical apprenticeship opportunities in transportation.

- The WSDOT, local and labor groups shall establish a human resources skills bank of transportation professionals.
- The Department of Labor and Industries (L&I) is required to conduct an assessment of current practices used in setting prevailing wages for transportation trades.
- In establishing the prevailing rate of wage, all data collected by L&I must be used in the county for which the work was performed.
- \$950,000 is appropriated to L&I to implement the requirements.
- The WSDOT must phase in the development of transportation demand modeling tools which evaluate investments by providing a common methodology to measure the costs and benefits of investments across modes.
- The WSDOT is required to conduct a multi-modal corridor analyses for projects that exceed \$100 million to examine all strategies for relieving congestion.
- Funding for transportation mobility improvements must be allocated to the worst traffic chokepoints in the state.
- The WSDOT must use cost-effective pavement surfaces.
- The WSDOT must use lowest life-cycle preservation costing.
- County transportation organizations, public transportation benefit areas, regional transit authorities, and municipalities which own or operate an urban transportation system must provide the Transportation Commission maintenance management plans and preservation management plans based on lowest life cycle costing.
- The County Road Administration Board (CRAB) must develop a model maintenance management system for counties.
- Cities must provide the Transportation Commission preservation rating information on 70 percent of the local arterial network.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Fisher, Chair; Cooper, Vice Chair; Lovick, Vice Chair; Edwards, Haigh, Hatfield, Jackley, Jarrett, Ogden, Reardon, Rockefeller, Romero, Simpson, Sullivan and Wood.

Minority Report: Do not pass. Signed by 9 members: Representatives Anderson, Armstrong, Hankins, Holmquist, Mielke, Mitchell, Schindler, Skinner and Woods.

Staff: Reema Griffith (786-7301).

Background:

The Legislature and the Governor formed the Blue Ribbon Commission on Transportation (BRCT) in 1998 to assess the local, regional and state transportation system; ensure that current and future funding is spent wisely; make the system more accountable and predictable; and prepare a 20-year plan for funding and investing in the transportation system.

The commission made 18 recommendations to the Governor and the Legislature. Specific recommendations included adopting transportation benchmarks; investing in maintenance, preservation, and improvements of the entire transportation system so that benchmarks can be achieved; achieving construction and project delivery efficiencies; and using the private sector to deliver projects and transportation services.

Summary of Engrossed Substitute Bill:

House Bill 2304 contains modified provisions from several bills which were heard by the House Transportation Committee during the 2001 legislative session. The original bills were based on several BRCT recommendations and contained various provisions, including contracting out transportation construction engineering services, transportation apprenticeships and prevailing wage assessments, and transportation planning and efficiencies.

Part I - Establishment of Transportation Performance Measures

An intent section establishes that policy goals must be created for the operation, performance of, and investment in the state's transportation system. A number of specific goals are listed and include the following: 1) no interstate highways, state routes, or local arterials shall be in poor condition; 2) no bridges shall be structurally deficient, and safety retrofits must be performed on those state bridges at the highest seismic risk levels; and 3) traffic congestion on urban state highways shall be significantly reduced and be no worse than the national mean.

The policy goals are to be used as the basis for the establishment of detailed performance measures to be created by the Transportation Commission.

Part I takes effect July 1, 2002.

Part II - Alternative Delivery Procedures for Construction Services

It is established that there is a pressing need for additional transportation projects to meet the mobility needs of Washington. With additional projects comes the need for additional work force assistance to ensure and enhance project delivery time lines. It is further established that it is the intent of the Legislature that no state employees lose their employment as a result of implementing new and innovative project delivery procedures.

The Washington State Department of Transportation (WSDOT) and labor groups must work together to develop a financial incentive program to aid in employee retention and recruitment where problems exist and program delivery is negatively affected. Once developed, the financial incentive program must be reviewed and approved by the Legislature before it can be implemented.

The department is authorized to acquire, by contract, construction engineering consultant services from private firms solely to augment the department's work force and when the construction program cannot be delivered through its existing work force. The procedures for acquiring construction engineering services from private firms may not be used to displace existing state employees nor diminish the number of existing classified positions in the current construction program.

Starting in December of 2003 and for every two years afterward, the secretary of the WSDOT must report to the House and Senate Transportation Committees on the use of construction engineering services from private firms.

Part II is null and void if new transportation revenues do not become law by January 1, 2003.

Part III - Apprenticeship and Adjustments to Prevailing Wage Provisions

It is established that the BRCT found that state and local transportation agencies are showing signs of an insufficiently skilled work force to operate the transportation system at its highest level. It is the intent of the Legislature that methods for fostering a stronger industry in transportation planning and engineering be explored.

It is further the intent of the Legislature to enhance the prevailing wage process by dedicating all intent and affidavit fees paid by contractors to the administration of the prevailing wage program.

The Department of Labor and Industries (L&I) must undertake the following activities: conduct wage surveys for each trade every three years; actively promote increased response rates; work with businesses, labor, and public agencies to ensure the integrity of information used in developing prevailing wage rates; process intents and affidavits in no more than seven working days from receipt of completed forms; and develop and implement electronic processing of intents and affidavits.

The Apprenticeship Council is required to work with the WSDOT, local transportation jurisdictions, local and statewide joint apprenticeships and other apprenticeship programs, representatives of labor and business organizations with interest and expertise in the transportation workforce, and representatives of the state's universities and community and vocational colleges to establish technical apprenticeship opportunities specific to transportation needs. The council must issue a report of findings and recommendations to the transportation committees by December 1, 2002.

The WSDOT must work with local transportation jurisdictions and representatives of transportation labor groups to establish a human resources skills bank of transportation professionals, designed to allow transportation authorities to draw from when needed. The department must issue a report of findings and recommendations to the transportation committees by December 1, 2002.

The state-interest component of the statewide multimodal transportation plan must include a plan for enhancing the skills of the existing technical transportation work force.

The L&I, in cooperation with the WSDOT, must conduct an assessment of the current practices, including survey techniques, used in setting prevailing wages for trades related to transportation facilities and project delivery. The assessment must include an analysis of regional variations. A final report must be submitted to the Governor and the transportation committees by December 1, 2002.

In establishing the prevailing rate of wage, all data collected by the L&I must be used only in the county for which the work was performed. This requirement would apply to surveys initiated on or after August 1, 2002.

Under current law 30 percent of the revenue generated by fees charged for filing intents and affidavits of wages paid, and fees charged for requesting arbitration of disputes, is transferred from the Public Works Administration Account (PWAA) into the General Fund. This transfer requirement is removed in the bill; thus this 30 percent of revenue remains in the PWAA for appropriation to the L&I to fund the administration of the prevailing wage program.

\$950,000 from the PWAA is appropriated to the L&I for the biennium ending June 30, 2003, to carry out the purposes of Part III.

Part III is null and void if new transportation revenues do not become law by January 1, 2003.

Part IV - Transportation Planning and Efficiency

WSDOT Provisions

Investment Efficiencies:

The WSDOT must phase in the development of transportation demand modeling tools which evaluate investments by providing a common methodology to measure the costs and benefits of investments across modes. Project prioritization must be based upon cost-benefit analysis, where appropriate.

Maintenance and Preservation Efficiencies:

The preservation program must use the most cost-effective pavement surfaces, and in making this determination, must take into consideration several factors that effect durability. The department must use a pavement management system using lowest life-cycle cost methodologies. The state highway system plan must include a maintenance element establishing service levels for highway maintenance that are designed to meet the benchmarks set by the Transportation Commission. Additionally, the state ferry system and state-owned rail programs must have a capital preservation plan using lowest life-cycle cost methodologies.

The department is required to conduct a multimodal corridor analysis on major congested corridors where needed improvements are likely to cost in excess of \$100 million.

An intent section establishes that funding for transportation mobility improvements must be allocated to the worst traffic chokepoints in the state. It is further intended that the Legislature will fund projects that provide systematic relief throughout an entire transportation corridor, rather than fund projects that provide spot improvements which fail to improve overall mobility within a corridor.

Priority programming for the improvement program must be based primarily upon: (1) addressing traffic congestion, delay and accidents; (2) location within heavily traveled corridors; (3) synchronization with other projects and modes; and (4) use of cost-benefit analysis to determine the proposed project's value. The department must report the results of its priority programming to the transportation committees by December 1, 2003, and December 1, 2005.

City/County Provisions

As a condition of receiving state funding, county transportation organizations, public transportation benefit areas, regional transit authorities, and municipalities which own or operate an urban public transportation system must submit to the Transportation Commission for certification, maintenance management plans which inventory all transportation system assets within their control, and preservation management plans which are based on lowest life-cycle costing.

The County Road Administration Board (CRAB) must establish a standard of good practice for maintenance of transportation system assets, to be implemented by no later than December 31, 2007. The CRAB must also develop a model maintenance management system for use by counties. Counties must submit their maintenance plans annually to the CRAB, who will compile all the information and submit it to the

Transportation Commission on an annual basis.

During the 2003-2005 biennium, cities must provide the Transportation Commission preservation rating information on at least 70 percent of their city arterial network. Thereafter, the percentage of city arterials with preservation rating information must increase in 5 percent increments each biennium until 100 percent of the arterial network has preservation rating information.

EFFECT OF SENATE AMENDMENT(S):

Section 202: The following definitions are provided for:

construction engineering services— includes, but is not limited to, construction management, construction administration, materials testing, materials documentation, contractor payments and general administration, construction oversight, and inspection and surveying;

Construction services— means those services that aid in the delivery of the highway construction program and include, but are not limited to, real estate services and construction engineering services.

Section 203: Language is added which requires that the Department of Transportation's financial incentive program support the goal of enhancing project delivery timelines as outlined in section 201 of the bill.

Section 305: In conducting an assessment of the current practices used in setting prevailing wages for trades related to transportation, the Department of Labor and Industries must include an analysis of stratified random sampling survey methods.

Section 418: Sections 411 and 415 of the bill which require public transportation benefit areas and regional transit authorities to submit maintenance and preservation management plans as a condition of receiving state funding, are each made null and void if new transportation revenues do not become law by January 1, 2003. Also, section 416 which requires the County Road Administration Board to develop a model maintenance management system by December 31, 2007 for use by counties, is made null and void if new transportation revenues do not become law by January 1, 2003.

Appropriation: \$950,000 from the Public Works Administration Account.

Fiscal Note: Available.

Effective Date: The bill contains several effective dates. Please refer to the bill. Parts II and III are null and void if new transportation revenues do not become law by January 1, 2003. Sections 409, 410 and 412.

Testimony For: This bill provides the necessary reform to allow for programmatic and process improvements to be made, which will result in significant gains in efficiencies.

Cities and counties would like to have the sections which require them to submit maintenance and preservation information to the Transportation Commission made null and void unless there is new revenue available to fund this activity.

Transit agencies are concerned about the policy goal contained in the first part of the bill, which stated that public transit agencies "shall achieve the median cost per vehicle revenue hour of peer transit agencies, adjusting for the regional cost-of-living."

Testimony Against: None.

Testified: (In support) Representative Fisher, Prime Sponsor; Andrew Johnsen, Governor's Office; Chris Marr, Transportation Commission; Doug MacDonald, Secretary of Transportation; Don Briscoe, Professional and Technical Engineers Local 17; Jay Weber, County Road Administration Board; Rick Slunaker, Associated General Contractors; Amber Balch, Association of Washington Business; and Greg Tisdel, Association of Washington Business.

(In support with concerns) Jackie White, Washington State Association of Counties; Ashley Probart; Association of Washington Cities; Kathleen Collins, Spokane Transit; and Peter Thein, Washington State Transit Association.

(Comments only) Dan Snow, Washington State Transit Association.