

HOUSE BILL REPORT

ESHB 2474

As Passed Legislature

Title: An act relating to transportation funding and appropriations.

Brief Description: Making supplemental transportation appropriations.

Sponsors: By House Committee on Transportation (originally sponsored by Representative Murray; by request of Governor Locke).

Brief History:

Committee Activity:

Transportation: 1/20/04, 2/25/04 [DPS].

Floor Activity:

Passed House: 2/27/04, 85-10.

Senate Amended.

Passed Senate: 3/2/04, 38-9.

House Refused to Concur.

Senate Receded.

Senate Amended.

Passed Senate: 3/11/04, 49-0.

House Concurred.

Passed House: 3/11/04, 93-3.

Passed Legislature.

Brief Summary of Engrossed Substitute Bill

- Makes adjustments to the 2003-05 biennial transportation budget.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 25 members: Representatives Murray, Chair; Rockefeller, Vice Chair; G. Simpson, Vice Chair; Jarrett, Assistant Ranking Minority Member; Armstrong, Bailey, Campbell, Clibborn, Cooper, Dickerson, Flannigan, Hankins, Hatfield, Hudgins, Kristiansen, Lovick, Morris, Nixon, Rodne, Romero, Schindler, Shabro, Wallace, Wood and Woods.

Minority Report: Do not pass. Signed by 1 member: Representative Mielke.

Staff: Gary Lebow (786-7304), Jerry Long (786-7306).

Background:

The transportation budget provides biennial appropriations to the major transportation agencies: Department of Transportation, Washington Traffic Safety Commission, County Road Administration Board, Transportation Improvement Board, Washington State Patrol and Department of Licensing. The budget also provides appropriations out of transportation funds to many smaller agencies with transportation functions.

Summary of Engrossed Substitute Bill:

Background

The 2003 Legislative session implemented a number of changes to improve accountability, efficiency, and oversight of our state's transportation system and associated agencies. The enacted 2004 supplemental Transportation Budget built upon that foundation with targeted funding of specific activities linking new revenue with specific projects to be delivered.

Agency Appropriations

Agency	Original 2003-05 Appropriations	2004 Supplemental Budget	Revised 2003-05 Appropriations
Department of Transportation	\$3,603,586	\$98,316	\$3,701,902
Department of Licensing	\$182,151	\$7,204	\$189,355
Washington State Patrol	\$251,099	\$3,765	\$254,864
County Road Improvement Board	\$94,184	\$7	\$94,191
Transportation Improvement Board	\$200,647	\$4	\$200,651
Traffic Safety Commission	\$20,820		\$20,820
Special Appropriations to the Governor for I-776 Refunds		\$3,300	\$3,300
Other Agencies with Transportation Funding	\$1,146	\$100	\$1,246

Bond Retirement and Interest	\$352,296	(\$7,553)	\$344,743
Total Appropriations	\$4,705,929	\$105,143	\$4,811,072

Type of Funds Utilized in Transportation Budget

Fund Type	Original 2003- 05 Appropriations	2004 Supplemental Budget	Revised 2003- 05 Appropriations
State Funds	\$2,734,278	\$7	\$2,734,285
Federal Funds	\$768,652	\$84,401	\$853,053
Local Funds	\$36,722	\$25,735	\$62,457
Bonds	\$1,166,277	(\$5,000)	\$1,161,277
Total Funding	\$4,705,929	\$105,143	\$4,811,072

Recent Developments

Since the completion of the 2003 Legislative session, the courts rendered a decision on Initiative 776 that eliminated some local transportation option taxes and reduced the gross weight fees on trucks under 10,000 pounds to \$30. The 10-year loss is \$205 million. The 2003-05 biennial loss is as follows:

I-776 Reductions of \$43.1 million

- \$9.41 million from the State Patrol Highway Account.
- \$30.163 million from the Motor Vehicle Account.
- \$925 thousand from Puget Sound Ferry Operations Account.
- \$2.605 million from Nickel Account.

I-776 Response and Funding of Other Emerging Issues

- Revenue losses are partially mitigated through available fund balances, federal funding provided for ferries, a risk management reduction and reductions in state expenditures:
- \$18.6 million state ferry capital funding is replaced with federal funding;
- \$8 million fund transfer from Transportation Equipment Fund (\$5 million) and the Advanced Right of Way Account (\$3 million);
- \$7.569 million reduction in self insurance premiums;
- \$6.177 million in program reductions;
- \$1.9 million in vacancy/salary savings;
- \$7.553 million one time debt service reduction;

Nickel Project Management and Schedule Adjustments

- Adjustments to project scheduling are adopted. The Recommended scheduling adjustments from the Transportation Commission has also been adopted;
- No projects have been added or adopted from the 2003 Transportation (Nickel) Program;
- All projects originally listed are slated for completion within the financial package adopted in 2003;
- The budget accelerates the schedule for projects associated with the 2010 Olympics, including I-5 HOV at Everett and SR 539 (10 mile to the border) in Whatcom County. The budget also provides an accelerated schedule for the SR 16 Burley Olalla Interchange project by one year.

Budget Additions

- High Priority Projects Added Within Current Law Revenues:
- \$11.0 million from the Puyallup Tribal Settlement Account to mitigate effects on traffic currently being served by the Murray Morgan Bridge in Tacoma;
- \$1.2 million for the design of a SR507 to SR 510 bypass in Yelm;
- \$650 thousand for phase two of the SR164 Corridor Study;
- \$500 thousand for a sensitive lands database for use in GIS systems;
- \$1.7 million for additional noise walls on I-5 by Salmon Creek;
- \$400 thousand for a traffic and economic study of the Mount Saint Helens tourist and recreational area;
- \$550 thousand for a route development plan of SR169;
- \$2.48 million for either the SR28 – east end of the George Sellar Bridge Phase I or the US 2/97 Peshastin East Interchange project;
- \$500 thousand for sensitive lands database.

Freight and Rail Projects

- \$13.9 million for local freight mobility projects which includes projects at the Port of Pasco, Port of Kalama, Benton County, City of Fife, Colville, Kent, Seattle, Spokane County and Granite Falls;
- \$800 thousand for a new freight rail spur in Lewis County.

Public Transportation

- Greater flexibility is provided for special needs transportation providers. Funds maybe used by transit agencies for operating and capital as long as the agencies maintain or increase special needs transportation compared to the previous year;
- The use of vanpool funds provided in 2003 is expanded to include incentives to employers to increase employee van pool use;
- \$100 thousand for Benton County Commute Trip Reduction Program;
- \$500 thousand for King County for a car sharing program. Funds serve as a state match to federal funding;

Washington State Ferries

- \$1 million for a study on the viability of the existing Keystone harbor;

- Funding for the fourth new ferry vessel has been accelerated from 2011-13 to 2007-11. This adjustment provides for more efficient contracting and millions of dollars in savings associated with building all four ferry vessels consecutively;
- \$15.4 million has been received in one-time funding, including \$9.4 million for ferry security equipment purchases;
- \$3 million in toll credits are assigned to Kitsap transit to assist them in obtaining federal funds for passenger only ferry capital projects; and,
- Washington State Ferries is to develop a 10-year strategy plan.

Mandatory Increases

- \$3.3 million in local and state funding for the production and mailing of refund checks to truck owners affected by I-776;
- \$1.71 million for Labor and Industry payments for worker's coverage;
- \$3.8 million to implement ferry system security to meet U.S. Coast Guard requirements;
- \$873 thousand in federal and state funds to implement the new federal commercial vehicle entrants program and the new northern border program;
- \$427 thousand for state laws to bring Washington into compliance with federal commercial driver license laws and to fund a bill passed in 2003 for new ignition interlock requirements;
- \$1.404 million for DOL workload and cost increases;
- \$647 thousand for ferries fuel cost increases;
- \$906 thousand for Ferries insurance premium cost increase;
- \$265 thousand increase in revolving fund charges;

Recently Identified Needs

- \$1 million for the Safe Routes for Schools Program;
- \$721 thousand for new laser printers in vehicle licensing services offices;
- \$948 thousand in federal and DUI cost recovery funds for the purchase of additional video cameras and new breath test equipment to be used by the Washington State Patrol;
- \$1.489 million for the implementation of bills passed by the Legislature. The bills include the implementation of alternate driver license renewals, four new specialized license plates and the implementation of voluntary biometrics;
- \$475 thousand for the implementation of a transportation data recovery site at Union Gap;
- \$283 thousand for pilot projects regarding employee safety at selected DOL high risk offices and for a DOL policy and data analyst;

Appropriation: \$4,811,072.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: (In support) Thank you for funding freight mobility projects. Freight mobility has a direct impact on Washington State's economy as we are the most trade dependent state in the U.S. The Freight Mobility Strategic Investment Board is important to identifying improvements that will benefit freight movement in Washington State.

Thanks for fixing the non-supplanting language in the special needs transit distribution. Some transit systems are in a period of declining revenues necessitating declining service which makes qualifying for these funds very difficult.

Thank you for accelerating the projects that will relieve traffic congestion associated with the 2010 Winter Olympics.

(In support with concerns) We have concerns about the funding provided for the Department of Licensing. There have been mandatory cost increases such as lease and Attorney General charges and the budget you have proposed doesn't cover these costs.

We are opposed to the transfer of funds from the ferry system. Please work for funding for alternative transportation activities like commute trip reduction.

Testimony Against: Paul Locke, Citizen.

Persons Testifying: (In support) Representative Murray, prime sponsor; Bill Ford and Paula Hammond, Department of Transportation; Pat Jones Washington Public Ports Association; Bill Stauffacher, Burlington Northern Santa Fe Rail; Doug Levy, Cities of Kent, Everett, and Federal Way; Jim Shipman, Washington State Transit; Bob Mack, Cities of Tacoma and Pasco; Tom Parker, Whatcom Council of Governments; and Jackie White, Association of Washington Cities.

(Pro with concerns) Fred Stephens Department of Licensing; and Kevin Shively, Transportation Choices Coalition.

Persons Signed In To Testify But Not Testifying: None.