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**SECOND ENGROSSED SUBSTITUTE SENATE BILL 5988**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Senate Transportation (originally sponsored by Senators King, Hobbs, Fain, Liias, and Litzow)

AN ACT Relating to additive transportation funding and appropriations; amending RCW 46.68.030, 46.68.060, 46.68.280, 46.68.290, and 47.60.530; amending 2015 1st sp.s. c 10 s 212 (uncodified); creating new sections; making appropriations; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  (1) An additive transportation budget of the state is hereby adopted and, subject to the provisions set forth, the several amounts specified, or as much thereof as may be necessary to accomplish the purposes designated, are hereby appropriated from the several accounts and funds named to the designated state agencies and offices for employee compensation and other expenses, for capital projects, and for other specified purposes, including the payment of any final judgments arising out of such activities, for the period ending June 30, 2017.

(2) It is the intent of the legislature that the funding levels specified in LEAP Transportation Document 2015 NL-2 as developed June 28, 2015, represents a commitment to provide appropriations to the agencies, programs, and activities at the amounts identified therein through fiscal year 2031.

(3) Unless the context clearly requires otherwise, the definitions in this subsection apply throughout this act.

(a) "Fiscal year 2016" or "FY 2016" means the fiscal year ending June 30, 2016.

(b) "Fiscal year 2017" or "FY 2017" means the fiscal year ending June 30, 2017.

(c) "FTE" means full-time equivalent.

(d) "Lapse" or "revert" means the amount shall return to an unappropriated status.

(e) "Provided solely" means the specified amount may be spent only for the specified purpose. Unless otherwise specifically authorized in this act, any portion of an amount provided solely for a specified purpose that is not expended subject to the specified conditions and limitations to fulfill the specified purpose shall lapse.

(f) "Reappropriation" means appropriation and, unless the context clearly provides otherwise, is subject to the relevant conditions and limitations applicable to appropriations.

(g) "LEAP" means the legislative evaluation and accountability program committee.

(h) "TEIS" means the transportation executive information system.

**2015-2017 FISCAL BIENNIUM**

**TRANSPORTATION AGENCIES—OPERATING**

NEW SECTION. **Sec.**  **FOR THE JOINT TRANSPORTATION COMMITTEE**

Motor Vehicle Account—State Appropriation $450,000

The appropriation in this section is subject to the following conditions and limitations:

(1) $450,000 of the motor vehicle account—state appropriation is for the joint transportation committee for the design-build contracting review study established in chapter . . . (Second Engrossed Substitute Senate Bill No. 5997), Laws of 2015 3rd sp. sess. The department of transportation must provide technical assistance, as necessary. If chapter . . . (Second Engrossed Substitute Senate Bill No. 5997), Laws of 2015 3rd sp. sess. is not enacted by July 31, 2015, the amount provided in this subsection lapses.

(2) The joint transportation committee must study the issues surrounding minority and women-owned business contracting related to the transportation sector. The study should identify any best practices adopted in other states that encourage participation by minority and women-owned businesses. The joint transportation committee, with direction from the executive committee, may form a legislative task force at the conclusion of the study to help to inform the legislature of any best practices identified from other states that encourage minority and women-owned businesses' participation in the transportation sector.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF LICENSING**

Motor Vehicle Account—State Appropriation $4,000,000

The appropriation in this section is subject to the following conditions and limitations: $4,000,000 of the motor vehicle account—state appropriation is provided solely for implementation of chapter . . . (Engrossed Substitute Senate Bill No. 5987) (transportation revenue), Laws of 2015 3rd sp. sess.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—ECONOMIC PARTNERSHIPS—PROGRAM K**

Electric Vehicle Charging Infrastructure

Account—State Appropriation $1,000,000

The appropriation in this section is subject to the following conditions and limitations: $1,000,000 of the electric vehicle charging infrastructure account—state appropriation is provided solely for the purpose of capitalizing the Washington electric vehicle infrastructure bank as provided in chapter . . . (Engrossed Substitute Senate Bill No. 5987), Laws of 2015 3rd sp. sess.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—HIGHWAY MAINTENANCE—PROGRAM M**

Motor Vehicle Account—State Appropriation $6,250,000

The appropriation in this section is subject to the following conditions and limitations: During the 2015-2017 fiscal biennium, in instances on private property when naturally occurring beaver dams and the water contained behind the dams pose an imminent threat to Washington state highway infrastructure, personal property, and individual safety in the event of dam failure, the department shall: (1) Notify the private property owner or owners of the threat; (2) perform a risk assessment to the state highway infrastructure, personal property, and public safety or loss of life; (3) coordinate with the department of fish and wildlife to perform an environmental risk assessment and develop a suggested beaver management plan to reduce or eliminate the risk of failure; and (4) produce a joint agency management plan with the department of fish and wildlife for the site and involve local jurisdictions and nongovernmental organizations to help execute the recommendations as devised by the state agencies. Further, within that joint agency management plan, the department and department of fish and wildlife shall identify and prioritize potential remedies to include culvert replacement, infrastructure upgrade, wildlife management tools, dam maintenance, water level controls, and any other identifiable solution.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—TRAFFIC OPERATIONS—PROGRAM Q**

Motor Vehicle Account—State Appropriation $3,125,000

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—TRANSPORTATION MANAGEMENT AND SUPPORT—PROGRAM S**

Motor Vehicle Account—State Appropriation $750,000

The appropriation in this section is subject to the following conditions and limitations: $750,000 of the motor vehicle account—state appropriation is provided solely for a grant program that makes awards for the following: (1) Support for nonproject agencies, churches, and other entities to help provide outreach to populations underrepresented in the current apprenticeship programs; (2) preapprenticeship training; and (3) child care, transportation, and other supports that are needed to help women and minorities enter and succeed in apprenticeship. The department must report on grants that have been awarded and the amount of funds disbursed by December 1, 2016, and annually thereafter.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—PUBLIC TRANSPORTATION—PROGRAM V**

Regional Mobility Grant Program Account—State

Appropriation $6,250,000

Rural Mobility Grant Program Account—State

Appropriation $3,438,000

Multimodal Transportation Account—State Appropriation $22,109,000

TOTAL APPROPRIATION $31,797,000

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) $13,890,000 of the multimodal transportation account—state appropriation is provided solely for projects identified in LEAP Transportation Document 2015 NL-3 as developed June 28, 2015. Except as provided otherwise in this subsection, funds must first be used for projects that are identified as priority one projects. As additional funds become available or if a priority one project is delayed, funding must be provided to priority two projects. If a higher priority project is bypassed, it must be funded when the project is ready. The department must submit a report annually with its budget submittal that, at a minimum, includes information about the listed transit projects that have been funded and projects that have been bypassed, including an estimated time frame for when the bypassed project will be funded.

(b) $831,000 of the amount provided in (a) of this subsection is provided solely for Skagit transit system enhancements for expenditure in 2015-2017.

(c) $2,300,000 of the amount provided in (a) of this subsection is provided solely for Island transit's tri-county connector service for expenditure in 2015-2017.

(2) $5,000,000 of the multimodal transportation account—state appropriation is provided solely for grants to transit agencies to transport persons with special transportation needs. Grants for transit agencies must be prorated based on the amount expended for demand response service and route deviated service in calendar year 2013 as reported in the "Summary of Public Transportation - 2013" published by the department of transportation. No transit agency may receive more than thirty percent of these distributions.

(3) $1,250,000 of the multimodal transportation account—state appropriation is provided solely for grants to nonprofit providers of special needs transportation. Grants for nonprofit providers must be based on need, including the availability of other providers of service in the area, efforts to coordinate trips among providers and riders, and the cost-effectiveness of trips provided.

(4) $3,438,000 of the rural mobility grant program account—state appropriation is provided solely for grants to aid small cities in rural areas as prescribed in RCW 47.66.100.

(5) $969,000 of the multimodal transportation account—state appropriation is provided solely for a vanpool grant program for: (a) Public transit agencies to add vanpools or replace vans; and (b) incentives for employers to increase employee vanpool use. The grant program for public transit agencies must cover capital costs only. Operating costs for public transit agencies are not eligible for funding under this grant program. Additional employees may not be hired from the funds provided in this section for the vanpool grant program, and supplanting of transit funds currently funding vanpools is not allowed. The department must encourage grant applicants and recipients to leverage funds other than state funds.

(6) $1,000,000 of the multimodal transportation account—state appropriation is provided solely for transit coordination grants.

(7) $6,250,000 of the regional mobility grant program account—state appropriation is provided solely for the regional mobility grant program.

**TRANSPORTATION AGENCIES—CAPITAL**

NEW SECTION. **Sec.**  **FOR THE FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD**

Freight Mobility Investment Account—State Appropriation $1,922,000

Freight Mobility Multimodal Account—State Appropriation $1,922,000

TOTAL APPROPRIATION $3,844,000

NEW SECTION. **Sec.**  **FOR THE TRANSPORTATION IMPROVEMENT BOARD**

Transportation Improvement Account—State

Appropriation $2,188,000

Multimodal Transportation Account—State

Appropriation $3,313,000

TOTAL APPROPRIATION $5,501,000

The appropriations in this section are subject to the following conditions and limitations: $3,313,000 of the multimodal transportation account—state appropriation is provided solely for the complete streets program.

NEW SECTION. **Sec.**  **FOR THE COUNTY ROAD ADMINISTRATION BOARD**

Rural Arterial Trust Account—State Appropriation $1,094,000

County Arterial Preservation Account—State Appropriation $1,094,000

TOTAL APPROPRIATION $2,188,000

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—FACILITIES—PROGRAM D—(DEPARTMENT OF TRANSPORTATION-ONLY PROJECTS)**

Connecting Washington Account—State Appropriation $20,000,000

The appropriation in this section is subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire connecting Washington account appropriation is provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, Program - Highway Management and Facilities Program (D).

(2) $10,000,000 of the connecting Washington account—state appropriation is provided solely for a new Olympic region maintenance and administration facility to be located on the department-owned site at the intersection of Marvin Road and 32nd Avenue. The property purchase was approved by the 2005 legislature for the site of the new Olympic region and the land was acquired by the department in August 2005. The department must work with the office of financial management's facilities oversight program to develop a revised predesign for a new Olympic region facility, with an estimated total cost of no more than forty million dollars. Priority must be given to accommodating the maintenance and operations functions of the Olympic region. The department must provide a copy of the revised predesign to the transportation committees of the legislature by December 2015.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—IMPROVEMENTS—PROGRAM I**

Connecting Washington Account—State Appropriation $229,025,000

The appropriation in this section is subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire connecting Washington account appropriation is provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, Program - Highway Improvements Program (I).

(2) It is the intent of the legislature that for the I-5 JBLM Corridor Improvements project (M00100R), the department shall actively pursue $50,000,000 in federal funds to pay for this project to supplant state funds in the future. $50,000,000 in connecting Washington account funding must be held in unallotted status during the 2021-2023 fiscal biennium. These funds may only be used after the department has provided notice to the office of financial management that it has exhausted all efforts to secure federal funds from the federal highway administration and the department of defense.

(3) Of the amounts allocated to the Puget Sound Gateway project (M00600R) in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, $4,000,000 must be used to complete the bridge connection at 28th/24th Street over state route number 509 in the city of SeaTac. The bridge connection must be completed prior to other construction on the state route number 509 segment of the project.

(4) In making budget allocations to the Puget Sound Gateway project, the department shall implement the project's construction as a single corridor investment. The department shall develop a coordinated corridor construction and implementation plan for state route number 167 and state route number 509 in collaboration with affected stakeholders. Specific funding allocations must be based on where and when specific project segments are ready for construction to move forward and investments can be best optimized for timely project completion. Emphasis must be placed on avoiding gaps in fund expenditures for either project.

(5) It is the intent of the legislature that, for the I-5/North Lewis County Interchange project (L2000204), the department develop and design the project with the objective of significantly improving access to the industrially zoned properties in north Lewis county. The design must consider the county's process of investigating alternatives to improve such access from Interstate 5 that began in March 2015.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—PRESERVATION—PROGRAM P**

Connecting Washington Account—State Appropriation $79,263,000

The appropriation in this section is subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire connecting Washington account appropriation in this section is provided solely for the projects and activities as listed in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, Program – Highway Preservation Program (P).

(2) It is the intent of the legislature that, with respect to the amounts provided for highway preservation from the connecting Washington account, the department consider the preservation and rehabilitation of concrete roadway on Interstate 5 from the Canadian border to the Oregon border to be a priority within the preservation program.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—WASHINGTON STATE FERRIES CONSTRUCTION—PROGRAM W**

Connecting Washington Account—State Appropriation $41,805,000

The appropriation in this section is subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire connecting Washington account appropriation in this section is provided solely for the projects and activities as listed in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, Program - Washington State Ferries Capital Program (W).

(2) Within existing resources, the department must evaluate the feasibility of utilizing the federal EB-5 immigrant investor program for financing the construction of a safety of life at sea (SOLAS) certificated vessel for the Anacortes-Sidney ferry route. The department must establish a group that includes, but is not limited to, the department of commerce and entities or individuals experienced with vessel engineering and EB-5 financing for assistance in evaluating the applicability of the EB-5 immigrant investor program. The department must deliver a report containing the results of the evaluation to the transportation committees of the legislature and the office of financial management by December 1, 2015.

(3) It is the intent of the legislature, over the sixteen-year new investment program, to provide $96,052,000 in state funds to complete the Seattle Terminal Replacement project (900010L), including: (a) Design work and selection of a preferred plan, (b) replacing timber pilings with pilings sufficient to support a selected terminal design, (c) replacing the timber portion of the dock with a new and reconfigured steel and concrete dock, and (d) other staging and construction work as the amount allows. These funds are identified in the LEAP transportation document referenced in subsection (1) of this section.

(4) It is the intent of the legislature, over the sixteen-year new investment program, to provide $122,000,000 in state funds to complete the acquisition of a fourth 144-car vessel (L2000109). These funds are identified in the LEAP transportation document referenced in subsection (1) of this section.

(5) It is the intent of the legislature, over the sixteen-year new investment program, to provide $68,600,000 in state funds to complete the Mukilteo Terminal Replacement project (952515P). These funds are identified in the LEAP transportation document referenced in subsection (1) of this section. To the greatest extent practicable and within available resources, the department shall design the new terminal to be a net zero energy building. To achieve this goal, the department shall evaluate using highly energy efficient equipment and systems, and the most appropriate renewable energy systems for the needs and location of the terminal.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—RAIL—PROGRAM Y**

Multimodal Transportation Account—State

Appropriation $11,651,000

The appropriation in this section is subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire appropriation in this section is provided solely for the projects and activities as listed in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, Program – Rail Program (Y).

(2) $970,000 of the multimodal transportation account—state appropriation is provided solely for freight rail assistance program grants (L1000143). The department shall issue a call for projects for the program, and shall evaluate the applications in a manner consistent with past practices as specified in section 309, chapter 367, Laws of 2011. By December 1, 2015, the department shall submit a prioritized list of recommended projects to the office of financial management and the transportation committees of the legislature.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—LOCAL PROGRAMS—PROGRAM Z**

Motor Vehicle Account—Federal Appropriation $5,300,000

Multimodal Transportation Account—State Appropriation $13,494,000

Connecting Washington Account—State Appropriation $49,054,000

TOTAL APPROPRIATION $67,848,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire connecting Washington account appropriation is provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, Program - Local Programs (Z).

(2) $2,344,000 of the multimodal transportation account—state appropriation is provided solely for the pedestrian and bicycle safety grant program (L2000188).

(3) $1,750,000 of the multimodal transportation account—state appropriation and $5,300,000 of the motor vehicle account—federal appropriation are provided solely for newly selected safe routes to schools projects (L2000189). The department may consider the special situations facing high-need areas, as defined by schools or project areas in which the percentage of the children eligible to receive free and reduced-price meals under the national school lunch program is equal to, or greater than, the state average as determined by the department, when evaluating project proposals against established funding criteria while ensuring continued compliance with federal eligibility requirements.

(4) $9,400,000 of the multimodal transportation account—state appropriation is provided solely for bicycle and pedestrian projects listed in LEAP Transportation Document 2015 NL-4 as developed June 28, 2015. Funds must first be used for projects that are identified as priority one projects. As additional funds become available or if a priority one project is delayed, funding must be provided to priority two projects and then to priority three projects. If a higher priority project is bypassed, it must be funded in the first round after the project is ready. If funds become available as a result of projects being removed from this list or completed under budget, the department may submit additional bicycle and pedestrian safety projects for consideration by the legislature. The department must submit a report annually with its budget submittal that, at a minimum, includes information about the listed bicycle and pedestrian projects that have been funded and projects that have been bypassed, including an estimated time frame for when the project will be funded.

**TRANSFERS AND DISTRIBUTIONS**

NEW SECTION. **Sec.**  **FOR THE STATE TREASURER—ADMINISTRATIVE TRANSFERS**

(1) State Patrol Highway Account—State Appropriation:

For transfer to the Connecting Washington Account—State $9,690,000

(2) Transportation Partnership Account—State

Appropriation: For transfer to the Connecting Washington

Account—State $4,998,000

(3) Motor Vehicle Account—State Appropriation:

For transfer to the Connecting Washington Account—

State $25,781,000

(4) Puget Sound Ferry Operations Account—State

Appropriation: For transfer to the Connecting Washington

Account—State $596,000

(5) Transportation 2003 Account (Nickel Account)—State

Appropriation: For transfer to the Connecting Washington

Account—State $2,270,000

(6) Highway Safety Account—State Appropriation:

For transfer to the Multimodal Transportation

Account—State $5,000,000

(7) Motor Vehicle Account—State Appropriation:

For transfer to the Freight Mobility Investment

Account—State $1,922,000

(8) Motor Vehicle Account—State Appropriation:

For transfer to the Transportation Improvement

Account—State $2,188,000

(9) Motor Vehicle Account—State Appropriation:

For transfer to the Rural Arterial Trust Account—State $1,094,000

(10) Motor Vehicle Account—State Appropriation:

For transfer to the County Arterial Preservation

Account—State $1,094,000

(11) Multimodal Transportation Account—State

Appropriation: For transfer to the Freight Mobility

Multimodal Account—State $1,922,000

(12) Multimodal Transportation Account—State

Appropriation: For transfer to the Regional Mobility

Grant Program Account—State $6,250,000

(13) Multimodal Transportation Account—State

Appropriation: For transfer to the Rural Mobility

Grant Program Account—State $3,438,000

(14) Multimodal Transportation Account—State

Appropriation: For transfer to the Electric Vehicle

Charging Infrastructure Account—State $1,000,000

(15) Capital Vessel Replacement Account—State

Appropriation: For transfer to the Connecting

Washington Account—State $61,000,000

(16) Multimodal Transportation Account—State

Appropriation: For transfer to the Connecting

Washington Account—State $8,000,000

**IMPLEMENTING PROVISIONS**

NEW SECTION. **Sec.**  **STAFFING LEVELS**

(1) As the department of transportation prepares to deliver the projects funded by the 2015 transportation revenue package, the department shall quickly develop and implement the construction program business plan so that future staffing levels are sustainable and meet necessary skill sets. This can be done effectively and efficiently in close partnership with the private sector.

(2) To this end, the department of transportation shall maintain the size of its engineering and technical workforce at levels that approximate the staffing levels currently in place, realizing that minor adjustments will be needed to meet project delivery goals.

(3) To successfully deliver the highway construction program as funded, the department of transportation may continue to utilize private consulting firms for engineering and technical service delivery.

(4) The department shall provide a report regarding engineering employee recruitment and retention issues affecting program oversight and delivery. In addition to salary survey market data, the report must consider employee compensation issues for engineering and technical positions that may hinder the recruitment and retention of a quality core workforce in preliminary engineering, design, and construction programs. The report must provide recommendations to the legislature and governor by June 30, 2016.

NEW SECTION. **Sec.**  (1) By November 15, 2015, and annually thereafter, the department of transportation must report on amounts expended to benefit transit, bicycle, or pedestrian elements within all connecting Washington projects in programs I, P, and Z identified in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015. The report must address each modal category separately and identify if eighteenth amendment protected funds have been used and, if not, the source of funding.

(2) To facilitate the report in subsection (1) of this section, the department of transportation must require that all bids on connecting Washington projects include an estimate on the cost to implement any transit, bicycle, or pedestrian project elements.

**MISCELLANEOUS**

**Sec.**  RCW 46.68.030 and 2011 c 171 s 85 are each amended to read as follows:

(1) The director shall forward all fees for vehicle registrations under chapters 46.16A and 46.17 RCW, unless otherwise specified by law, to the state treasurer with a proper identifying detailed report. The state treasurer shall credit these moneys to the motor vehicle fund created in RCW 46.68.070.

(2) Proceeds from vehicle license fees and renewal vehicle license fees must be deposited by the state treasurer as follows:

(a) $20.35 of each initial or renewal vehicle license fee must be deposited in the state patrol highway account in the motor vehicle fund, hereby created. Vehicle license fees, renewal vehicle license fees, and all other funds in the state patrol highway account must be for the sole use of the Washington state patrol for highway activities of the Washington state patrol, subject to proper appropriations and reappropriations.

(b) $2.02 of each initial vehicle license fee and $0.93 of each renewal vehicle license fee must be deposited each biennium in the Puget Sound ferry operations account.

(c) Any remaining amounts of vehicle license fees and renewal vehicle license fees that are not distributed otherwise under this section must be deposited in the motor vehicle fund.

(3) During the 2015-2017 fiscal biennium, the legislature may transfer from the state patrol highway account to the connecting Washington account such amounts as reflect the excess fund balance of the state patrol highway account.

**Sec.**  RCW 46.68.060 and 2013 c 306 s 717 are each amended to read as follows:

There is hereby created in the state treasury a fund to be known as the highway safety fund to the credit of which must be deposited all moneys directed by law to be deposited therein. This fund must be used for carrying out the provisions of law relating to driver licensing, driver improvement, financial responsibility, cost of furnishing abstracts of driving records and maintaining such case records, and to carry out the purposes set forth in RCW 43.59.010, and chapters 46.72 and 46.72A RCW. During the ((~~2011-2013 and~~)) 2013-2015 and 2015-2017 fiscal biennia, the legislature may transfer from the highway safety fund to the Puget Sound ferry operations account, the motor vehicle fund, and the multimodal transportation account such amounts as reflect the excess fund balance of the highway safety fund.

**Sec.**  RCW 46.68.280 and 2003 c 361 s 601 are each amended to read as follows:

(1) The transportation 2003 account (nickel account) is hereby created in the motor vehicle fund. Money in the account may be spent only after appropriation. Expenditures from the account must be used only for projects or improvements identified as transportation 2003 projects or improvements in the omnibus transportation budget and to pay the principal and interest on the bonds authorized for transportation 2003 projects or improvements. Upon completion of the projects or improvements identified as transportation 2003 projects or improvements, moneys deposited in this account must only be used to pay the principal and interest on the bonds authorized for transportation 2003 projects or improvements, and any funds in the account in excess of the amount necessary to make the principal and interest payments may be used for maintenance on the completed projects or improvements.

(2) During the 2015-2017 fiscal biennium, the legislature may transfer from the transportation 2003 account (nickel account) to the connecting Washington account such amounts as reflect the excess fund balance of the transportation 2003 account (nickel account).

(3) The "nickel account" means the transportation 2003 account.

**Sec.**  RCW 46.68.290 and 2006 c 337 s 5 are each amended to read as follows:

(1) The transportation partnership account is hereby created in the state treasury. All distributions to the account from RCW 46.68.090 must be deposited into the account. Money in the account may be spent only after appropriation. Expenditures from the account must be used only for projects or improvements identified as 2005 transportation partnership projects or improvements in the omnibus transportation appropriations act, including any principal and interest on bonds authorized for the projects or improvements.

(2) The legislature finds that:

(a) Citizens demand and deserve accountability of transportation-related programs and expenditures. Transportation-related programs must continuously improve in quality, efficiency, and effectiveness in order to increase public trust;

(b) Transportation-related agencies that receive tax dollars must continuously improve the way they operate and deliver services so citizens receive maximum value for their tax dollars; and

(c) Fair, independent, comprehensive performance audits of transportation-related agencies overseen by the elected state auditor are essential to improving the efficiency, economy, and effectiveness of the state's transportation system.

(3) For purposes of chapter 314, Laws of 2005:

(a) "Performance audit" means an objective and systematic assessment of a state agency or agencies or any of their programs, functions, or activities by the state auditor or designee in order to help improve agency efficiency, effectiveness, and accountability. Performance audits include economy and efficiency audits and program audits.

(b) "Transportation-related agency" means any state agency, board, or commission that receives funding primarily for transportation-related purposes. At a minimum, the department of transportation, the transportation improvement board or its successor entity, the county road administration board or its successor entity, and the traffic safety commission are considered transportation-related agencies. The Washington state patrol and the department of licensing shall not be considered transportation-related agencies under chapter 314, Laws of 2005.

(4) Within the authorities and duties under chapter 43.09 RCW, the state auditor shall establish criteria and protocols for performance audits. Transportation-related agencies shall be audited using criteria that include generally accepted government auditing standards as well as legislative mandates and performance objectives established by state agencies. Mandates include, but are not limited to, agency strategies, timelines, program objectives, and mission and goals as required in RCW 43.88.090.

(5) Within the authorities and duties under chapter 43.09 RCW, the state auditor may conduct performance audits for transportation-related agencies. The state auditor shall contract with private firms to conduct the performance audits.

(6) The audits may include:

(a) Identification of programs and services that can be eliminated, reduced, consolidated, or enhanced;

(b) Identification of funding sources to the transportation-related agency, to programs, and to services that can be eliminated, reduced, consolidated, or enhanced;

(c) Analysis of gaps and overlaps in programs and services and recommendations for improving, dropping, blending, or separating functions to correct gaps or overlaps;

(d) Analysis and recommendations for pooling information technology systems used within the transportation-related agency, and evaluation of information processing and telecommunications policy, organization, and management;

(e) Analysis of the roles and functions of the transportation-related agency, its programs, and its services and their compliance with statutory authority and recommendations for eliminating or changing those roles and functions and ensuring compliance with statutory authority;

(f) Recommendations for eliminating or changing statutes, rules, and policy directives as may be necessary to ensure that the transportation-related agency carry out reasonably and properly those functions vested in the agency by statute;

(g) Verification of the reliability and validity of transportation-related agency performance data, self-assessments, and performance measurement systems as required under RCW 43.88.090;

(h) Identification of potential cost savings in the transportation-related agency, its programs, and its services;

(i) Identification and recognition of best practices;

(j) Evaluation of planning, budgeting, and program evaluation policies and practices;

(k) Evaluation of personnel systems operation and management;

(l) Evaluation of purchasing operations and management policies and practices;

(m) Evaluation of organizational structure and staffing levels, particularly in terms of the ratio of managers and supervisors to nonmanagement personnel; and

(n) Evaluation of transportation-related project costs, including but not limited to environmental mitigation, competitive bidding practices, permitting processes, and capital project management.

(7) Within the authorities and duties under chapter 43.09 RCW, the state auditor must provide the preliminary performance audit reports to the audited state agency for comment. The auditor also may seek input on the preliminary report from other appropriate officials. Comments must be received within thirty days after receipt of the preliminary performance audit report unless a different time period is approved by the state auditor. The final performance audit report shall include the objectives, scope, and methodology; the audit results, including findings and recommendations; the agency's response and conclusions; and identification of best practices.

(8) The state auditor shall provide final performance audit reports to the citizens of Washington, the governor, the joint legislative audit and review committee, the appropriate legislative committees, and other appropriate officials. Final performance audit reports shall be posted on the internet.

(9) The audited transportation-related agency is responsible for follow-up and corrective action on all performance audit findings and recommendations. The audited agency's plan for addressing each audit finding and recommendation shall be included in the final audit report. The plan shall provide the name of the contact person responsible for each action, the action planned, and the anticipated completion date. If the audited agency does not agree with the audit findings and recommendations or believes action is not required, then the action plan shall include an explanation and specific reasons.

The office of financial management shall require periodic progress reports from the audited agency until all resolution has occurred. The office of financial management is responsible for achieving audit resolution. The office of financial management shall annually report by December 31st the status of performance audit resolution to the appropriate legislative committees and the state auditor. The legislature shall consider the performance audit results in connection with the state budget process.

The auditor may request status reports on specific audits or findings.

(10) For the period from July 1, 2005, until June 30, 2007, the amount of $4,000,000 is appropriated from the transportation partnership account to the state auditors office for the purposes of subsections (2) through (9) of this section.

(11) During the 2015-2017 fiscal biennium, the legislature may transfer from the transportation partnership account to the connecting Washington account such amounts as reflect the excess fund balance of the transportation partnership account.

**Sec.**  RCW 47.60.530 and 2011 1st sp.s. c 16 s 1 are each amended to read as follows:

(1) The Puget Sound ferry operations account is created in the motor vehicle fund.

(2) The following funds must be deposited into the account:

(a) All moneys directed by law;

(b) All revenues generated from ferry fares; and

(c) All revenues generated from commercial advertising, concessions, parking, and leases as allowed under RCW 47.60.140.

(3) Moneys in the account may be spent only after appropriation.

(4) Expenditures from the account may be used only for the maintenance, administration, and operation of the Washington state ferry system.

(5) During the 2015-2017 fiscal biennium, the legislature may transfer from the Puget Sound ferry operations account to the connecting Washington account such amounts as reflect the excess fund balance of the Puget Sound ferry operations account.

**Sec.**  2015 1st sp.s c 10 s 212 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—AVIATION—PROGRAM F**

Aeronautics Account—State Appropriation $8,143,000

Aeronautics Account—Federal Appropriation $4,100,000

Aeronautics Account—Private/Local Appropriation $60,000

TOTAL APPROPRIATION $12,303,000

The appropriations in this section are subject to the following conditions and limitations: $4,137,000 of the aeronautics account—state appropriation is provided solely for airport investment studies and the airport aid grant program, which provides competitive grants to public airports for pavement, safety, maintenance, planning, and security. Of this amount, $637,000 lapses if chapter . . . (Substitute Senate Bill No. 5324), Laws of 2015 3rd sp. sess. (aircraft excise taxes) is not enacted by ((~~June 30~~)) July 31, 2015, chapter . . . (Substitute Senate Bill No. 6057) Laws of 2015 3rd sp. sess. (relating to revenue) is not enacted by July 31, 2015, and an expenditure to the aeronautics account is not provided in the 2015-2017 omnibus appropriations act by ((~~June 30~~)) July 31, 2015.

NEW SECTION. **Sec.**  If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

**--- END ---**