Z-0359.1

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**HOUSE BILL 1147**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**State of Washington 65th Legislature 2017 Regular Session**

**By** Representatives Clibborn, Fey, Farrell, and Wylie; by request of Office of Financial Management

AN ACT Relating to transportation funding and appropriations; amending RCW 47.56.403, 43.19.642, 46.68.325, 47.56.876, 46.68.030, 46.68.060, 46.68.280, and 46.68.290; creating new sections; making appropriations and authorizing expenditures for capital improvements; providing an effective date; and declaring an emergency.

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

**2017-2019 FISCAL BIENNIUM**

NEW SECTION. **Sec.**  (1) The 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, 2019.

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

(a) "Fiscal year 2018" or "FY 2018" means the fiscal year ending June 30, 2018.

(b) "Fiscal year 2019" or "FY 2019" means the fiscal year ending June 30, 2019.

(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.

**GENERAL GOVERNMENT AGENCIES—OPERATING**

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION**

Motor Vehicle Account—State Appropriation $516,000

NEW SECTION. **Sec.**  **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

Grade Crossing Protective Account—State Appropriation $1,184,000

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

Motor Vehicle Account—State Appropriation $1,614,000

Puget Sound Ferry Operations Account—State Appropriation $116,000

TOTAL APPROPRIATION $1,730,000

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

(1) $300,000 of the motor vehicle account—state appropriation is provided solely for the office of financial management to work with the department of transportation on integrating the transportation reporting and accounting information system or its successor system with the One Washington project.

(2) The office of financial management, in conjunction with the office of the chief information officer, shall provide oversight and review of the department of transportation's competitive procurement process for a new ferry dispatch system as required in section 309(9) of this act.

NEW SECTION. **Sec.**  **FOR THE STATE PARKS AND RECREATION COMMISSION**

Motor Vehicle Account—State Appropriation $986,000

The appropriation in this section is subject to the following conditions and limitations: The entire appropriation in this section is provided solely for road maintenance purposes.

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

Motor Vehicle Account—State Appropriation $1,309,000

NEW SECTION. **Sec.**  **FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE**

Motor Vehicle Account—State Appropriation $616,000

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF FISH AND WILDLIFE**

The department must work with the Washington state association of counties to develop voluntary programmatic agreements for the maintenance, preservation, rehabilitation, and replacement of water crossing structures. Such programmatic agreements when agreed to by the department and participating counties are binding agreements for permitting, design, and mitigation of county water crossing structures.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF ENTERPRISE SERVICES**

The department must provide a detailed accounting of the revenues and expenditures of the self-insurance fund for transportation agencies included in this act and a copy of the most recent annual actuarial review to the transportation committees of the legislature on December 31st and June 30th of each year.

**TRANSPORTATION AGENCIES—OPERATING**

NEW SECTION. **Sec.**  **FOR THE WASHINGTON TRAFFIC SAFETY COMMISSION**

Highway Safety Account—State Appropriation $3,382,000

Highway Safety Account—Federal Appropriation $22,239,000

Highway Safety Account—Private/Local Appropriation $118,000

School Zone Safety Account—State Appropriation $850,000

TOTAL APPROPRIATION $26,589,000

The appropriations in this section are subject to the following conditions and limitations: $1,000,000 of the highway safety account—federal appropriation is provided solely for federal funds that may be obligated to the commission pursuant to 23 U.S.C. Sec. 164 during the 2017-2019 fiscal biennium.

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

Rural Arterial Trust Account—State Appropriation $1,065,000

Motor Vehicle Account—State Appropriation $2,642,000

County Arterial Preservation Account—State

Appropriation $1,601,000

TOTAL APPROPRIATION $5,308,000

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

Transportation Improvement Account—State

Appropriation $4,339,000

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

Motor Vehicle Account—State Appropriation $1,357,000

NEW SECTION. **Sec.**  **FOR THE TRANSPORTATION COMMISSION**

Motor Vehicle Account—State Appropriation $2,244,000

Multimodal Transportation Account—State Appropriation $112,000

TOTAL APPROPRIATION $2,356,000

The appropriations in this section are subject to the following conditions and limitations: The commission shall coordinate with the department of transportation to jointly pursue any federal or other funds that are or might become available to fund a road usage charge pilot project. Where feasible, grant application content prepared by the commission must reflect the direction provided by the road usage charge steering committee on the preferred road usage charge pilot project approach. One or more grant applications may be developed as part of the road usage charge pilot project implementation plan development work, but the pilot project implementation plan must nevertheless include any details necessary for a full launch of the pilot project not required to be included in any grant application.

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

Motor Vehicle Account—State Appropriation $780,000

NEW SECTION. **Sec.**  **FOR THE WASHINGTON STATE PATROL**

State Patrol Highway Account—State Appropriation $492,758,000

State Patrol Highway Account—Federal Appropriation $14,665,000

State Patrol Highway Account—Private/Local

Appropriation $4,036,000

Highway Safety Account—State Appropriation $1,086,000

Ignition Interlock Device Revolving Account—State

Appropriation $510,000

Multimodal Transportation Account—State Appropriation $276,000

State Patrol Nonappropriated Airplane Revolving

Account—State Appropriation $247,000

TOTAL APPROPRIATION $513,578,000

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

(1) Washington state patrol officers engaged in off-duty uniformed employment providing traffic control services to the department of transportation or other state agencies may use state patrol vehicles for the purpose of that employment, subject to guidelines adopted by the chief of the Washington state patrol. The Washington state patrol must be reimbursed for the use of the vehicle at the prevailing state employee rate for mileage and hours of usage, subject to guidelines developed by the chief of the Washington state patrol.

(2) $510,000 of the highway safety account—state appropriation is provided solely for the ignition interlock program at the Washington state patrol to provide funding for two staff to work and provide support for the program in working with manufacturers, service centers, technicians, and participants in the program.

(3) $1,000,000 of the state patrol highway account—state appropriation is provided solely for ongoing support, system updates, and maintenance of the P25 digital land mobile radio system. Of the amount provided in this subsection, $400,000 must be used for an independent assessment of the P25 digital land mobile radio system. The independent assessment must identify implementation issues and recommend strategies to address them.

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

Marine Fuel Tax Refund Account—State Appropriation $34,000

Motorcycle Safety Education Account—State

Appropriation $4,608,000

State Wildlife Account—State Appropriation $1,066,000

Highway Safety Account—State Appropriation $212,425,000

Highway Safety Account—Federal Appropriation $4,066,000

Motor Vehicle Account—State Appropriation $93,862,000

Motor Vehicle Account—Federal Appropriation $329,000

Motor Vehicle Account—Private/Local Appropriation $2,048,000

Ignition Interlock Device Revolving Account—State

Appropriation $5,154,000

Department of Licensing Services Account—State

Appropriation $6,882,000

TOTAL APPROPRIATION $330,474,000

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

(1) $22,130,000 of the highway safety account—state appropriation is provided solely for business and technology modernization. The department and the state chief information officer or his or her designee must provide a joint project status report to the transportation committees of the legislature on at least a calendar quarter basis. The report must include, but is not limited to: Detailed information about the planned and actual scope, schedule, and budget; status of key vendor and other project deliverables; and a description of significant changes to planned deliverables or system functions over the life of the project. Project staff will periodically brief the committees or the committees' staff on system security and data protection measures.

(2) The department when modernizing its computer systems must place personal and company data elements in separate data fields to allow the department to select discrete data elements when providing information or data to persons or entities outside the department. This requirement must be included as part of the systems design in the department's business and technology modernization. A person's photo, social security number, or medical information must not be made available through public disclosure or data being provided under RCW 46.12.630 or 46.12.635.

(3) $4,471,000 of the highway safety account—state appropriation is provided solely for costs necessary to accommodate increased demand for enhanced drivers' licenses and enhanced identicards. The office of financial management shall place the entire amount provided in this subsection in unallotted status. The office of financial management may release portions of the funds when it determines that average wait times have increased by more than two minutes based on wait time and volume data provided by the department compared to average wait times and volume during the month of December 2016. The department and the office of financial management shall evaluate the use of these funds on a monthly basis and periodically report to the transportation committees of the legislature on average wait times and volume data for enhanced drivers' licenses and enhanced identicards.

(4) The department shall continue to encourage the use of online vehicle registration renewal reminders and minimize the number of letters mailed by the department. To further this goal, the department shall develop a pilot program to replace first-class mail, letter-form renewal reminders with postcard renewal reminders. The goal of the pilot program is to realize substantial savings on printing and postage costs. The pilot program must include customers who performed their last renewal online and still receive a paper renewal notice. The appropriations in this section reflect savings in postage and printing costs of at least $250,000 in the 2017-2019 fiscal biennium.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—TOLL OPERATIONS AND MAINTENANCE—PROGRAM B**

High Occupancy Toll Lanes Operations Account—State

Appropriation $4,241,000

Motor Vehicle Account—State Appropriation $513,000

State Route Number 520 Corridor Account—State

Appropriation $57,410,000

State Route Number 520 Civil Penalties Account—State

Appropriation $4,361,000

Tacoma Narrows Toll Bridge Account—State

Appropriation $33,942,000

Interstate 405 Express Toll Lanes Operations

Account—State Appropriation $23,630,000

TOTAL APPROPRIATION $124,097,000

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

(1) $1,300,000 of the Tacoma Narrows toll bridge account—state appropriation and $9,048,000 of the state route number 520 corridor account—state appropriation are provided solely for the purposes of addressing unforeseen operations and maintenance costs on the Tacoma Narrows bridge and the state route number 520 bridge, respectively. The office of financial management shall place the amounts provided in this section, which represent a portion of the required minimum fund balance under the policy of the state treasurer, in unallotted status. The office may release the funds only when it determines that all other funds designated for operations and maintenance purposes have been exhausted.

(2) The department shall make detailed quarterly expenditure reports on the department's web site. The reports must include a summary of toll revenue by facility on all operating toll facilities and high occupancy toll lane systems, and an itemized depiction of the use of that revenue.

(3) The department must provide quarterly reports to the transportation committees of the legislature on the Interstate 405 express toll lane project performance measures listed in RCW 47.56.880(4). These reports must include:

(a) Information on the travel times and travel time reliability (at a minimum, average and 90th percentile travel times) maintained during peak and nonpeak periods in the express toll lanes and general purpose lanes for both the entire corridor and commonly made trips in the corridor including, but not limited to, northbound from Bellevue to Rose Hill, state route number 520 at NE 148th to Interstate 405 at state route number 522, Bellevue to Bothell (both NE 8th to state route number 522 and NE 8th to state route number 527), and a trip internal to the corridor (such as NE 85th to NE 160th) and similar southbound trips;

(b) A month-to-month comparison of travel times and travel time reliability for the entire corridor and commonly made trips in the corridor as specified in (a) of this subsection since implementation of the express toll lanes and, to the extent available, a comparison to the travel times and travel time reliability prior to implementation of the express toll lanes;

(c) Total express toll lane and total general purpose lane traffic volumes, as well as per lane traffic volumes for each type of lane (i) compared to total express toll lane and total general purpose lane traffic volumes, as well as per lane traffic volumes for each type of lane, on this segment of Interstate 405 prior to implementation of the express toll lanes and (ii) compared to total express toll lane and total general purpose lane traffic volumes, as well as per lane traffic volumes for each type of lane, from month to month since implementation of the express toll lanes; and

(d) Underlying congestion measurements, that is, speeds, that are being used to generate the summary graphs provided, to be made available in a digital file format.

(4) $870,000 of the high occupancy toll lanes operations account—state appropriation, $15,090,000 of the state route number 520 corridor account—state appropriation, $6,470,000 of the Tacoma Narrows toll bridge account—state appropriation, and $5,570,000 of the Interstate 405 express toll lanes operations account—state appropriation are provided solely for the department to implement a new tolling customer service toll collection system.

(a) The department must provide a project status report to the office of financial management and the transportation committees of the legislature on at least a calendar quarterly basis. The report must include, but is not limited to:

(i) Detailed information about the planned and actual scope, schedule, and budget;

(ii) Status of key vendor and other project deliverables; and

(iii) A description of significant changes to planned deliverables or system functions over the life of the project.

(b)(i) Before commencement of the new tolling customer service toll collection system implementation, the department shall submit a draft project management plan to the office of financial management and the office of the chief information officer that includes a provision for independent verification and validation of contract deliverables from the successful bidder and a provision for quality assurance that includes reporting independently to the office of the chief information officer on an ongoing basis during system implementation.

(ii) The office of financial management and the office of the chief information officer shall review the draft project management plan to ensure that it contains adequate contract management and quality assurance measures.

(iii) The department shall submit the project management plan to the transportation committees of the legislature before the commencement of system implementation.

(5) The department shall make detailed quarterly reports to the governor and the transportation committees of the legislature on the following:

(a) The use of consultants in the tolling program, including the name of the contractor, the scope of work, the type of contract, timelines, deliverables, any new task orders, and any extensions to existing consultant contracts;

(b) The nonvendor costs of administering toll operations, including the costs of staffing the division, consultants and other personal service contracts required for technical oversight and management assistance, insurance, payments related to credit card processing, transponder purchases and inventory management, facility operations and maintenance, and other miscellaneous nonvendor costs; and

(c) The vendor-related costs of operating tolled facilities, including the costs of the customer service center, cash collections on the Tacoma Narrows bridge, electronic payment processing, and toll collection equipment maintenance, renewal, and replacement.

(d) The toll adjudication process, including a summary table for each toll facility that includes:

(i) The number of notices of civil penalty issued;

(ii) The number of recipients who pay before the notice becomes a penalty;

(iii) The number of recipients who request a hearing and the number who do not respond;

(iv) Workload costs related to hearings;

(v) The cost and effectiveness of debt collection activities; and

(vi) Revenues generated from notices of civil penalty.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—INFORMATION TECHNOLOGY—PROGRAM C**

Transportation Partnership Account—State Appropriation $1,460,000

Motor Vehicle Account—State Appropriation $85,859,000

Puget Sound Ferry Operations Account—State

Appropriation $263,000

Multimodal Transportation Account—State

Appropriation $2,876,000

Transportation 2003 Account (Nickel Account)—State

Appropriation $1,460,000

TOTAL APPROPRIATION $91,918,000

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

(1) $9,588,000 of the motor vehicle account—state appropriation is provided solely for the development of the labor system replacement project and is subject to the conditions, limitations, and review provided in section 701 of this act. It is the intent of the legislature that if any portion of the labor system replacement project is leveraged in the future for the time, leave, and labor distribution of any other agencies, the motor vehicle account will be reimbursed proportionally for the development of the system since the funds from the motor vehicle account must be used exclusively for highway purposes in conformance with Article II, section 40 of the state Constitution. This must be accomplished through a loan arrangement with the current interest rate under the terms set by the office of the state treasurer at the time the system is deployed to additional agencies. If the motor vehicle account is not reimbursed for future use of the system, it is further the intent of the legislature that reductions will be made to central service agency charges accordingly.

(2) $2,296,000 of the motor vehicle account—state appropriation is provided solely for the development of ferries network systems support and is subject to the conditions, limitations, and review provided in section 701 of this act.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—FACILITY MAINTENANCE, OPERATIONS, AND CONSTRUCTION—PROGRAM D—OPERATING**

Motor Vehicle Account—State Appropriation $28,875,000

State Route Number 520 Corridor Account—State

Appropriation $34,000

TOTAL APPROPRIATION $28,909,000

The appropriations in this section are subject to the following conditions and limitations: $100,000 of the motor vehicle account—state appropriation is provided solely for the completion of an infrastructure analysis of the 15700 Dayton Avenue, Shoreline, Washington property. By September 30, 2017, the department shall report to the office of financial management and the transportation committees of the legislature on the resulting infrastructure analysis. The analysis must include all major building systems, current condition status, standard life-cycle replacement timeline, replacement cost, and all code requirements to fully utilize the facility.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—AVIATION—PROGRAM F**

Aeronautics Account—State Appropriation $6,849,000

Aeronautics Account—Federal Appropriation $4,900,000

Aeronautics Account—Private/Local Appropriation $171,000

TOTAL APPROPRIATION $11,920,000

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

Motor Vehicle Account—State Appropriation $57,009,000

Motor Vehicle Account—Federal Appropriation $500,000

Multimodal Transportation Account—State Appropriation $259,000

TOTAL APPROPRIATION $57,768,000

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

(1) $200,000 of the motor vehicle account—state appropriation is provided solely for contracted appraisals to determine property valuations for surplus properties to be sold. The real estate services division of the department must recover the cost of its efforts from the sale of surplus property. Proceeds for surplus property sales must fund additional future sales, and the real estate services division shall prioritize staff resources to meet revenue assumptions for surplus property sales.

(2) The legislature recognizes that the trail known as the Rocky Reach Trail, and its extensions, serve to separate motor vehicle traffic from pedestrians and bicyclists, increasing motor vehicle safety on state route number 2 and the coincident section of state route number 97. Consistent with chapter 47.30 RCW and pursuant to RCW 47.12.080, the legislature declares that transferring portions of WSDOT Inventory Control (IC) No. 2-09-04686 containing the trail and associated buffer areas to the Washington state parks and recreation commission is consistent with the public interest. The legislature directs the department to transfer the property to the Washington state parks and recreation commission.

(a) The department must be paid fair market value for any portions of the transferred real property that is later abandoned, vacated, or ceases to be publicly maintained for trail purposes.

(b) Prior to completing the transfer in this subsection (2), the department must ensure that provisions are made to accommodate private and public utilities and any facilities that predate the department's acquisition of the property, at no cost to those entities. Prior to completing the transfer, the department shall also ensure that provisions, by fair market assessment, are made to accommodate other private and public utilities and any facilities that have been legally allowed by permit or other instrument.

(c) The department may sell any adjoining property that is not necessary to support the Rocky Reach Trail and adjacent buffer areas only after the transfer of trail-related property to the Washington state parks and recreation commission is complete. Adjoining property owners must be given the first opportunity to acquire such property that abuts their property, and applicable boundary line or other adjustments must be made to the legal descriptions for recording purposes.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—PUBLIC-PRIVATE PARTNERSHIPS—PROGRAM K**

Motor Vehicle Account—State Appropriation $645,000

Electric Vehicle Charging Infrastructure

Account—State Appropriation $1,000,000

TOTAL APPROPRIATION $1,645,000

The appropriations in this section are 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 44, Laws of 2015 3rd sp. sess. (transportation revenue).

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

Motor Vehicle Account—State Appropriation $459,764,000

Motor Vehicle Account—Federal Appropriation $7,000,000

State Route Number 520 Corridor Account—State

Appropriation $4,447,000

Tacoma Narrows Toll Bridge Account—State

Appropriation $1,233,000

TOTAL APPROPRIATION $472,444,000

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

(1) $7,092,000 of the motor vehicle account—state appropriation is provided solely for utility fees assessed by local governments as authorized under RCW 90.03.525 for the mitigation of stormwater runoff from state highways.

(2) $4,447,000 of the state route number 520 corridor account—state appropriation is provided solely to maintain the state route number 520 floating bridge. These funds must be used in accordance with RCW 47.56.830(3).

(3) $1,233,000 of the Tacoma Narrows toll bridge account—state appropriation is provided solely to maintain the new Tacoma Narrows bridge. These funds must be used in accordance with RCW 47.56.830(3).

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

Motor Vehicle Account—State Appropriation $66,334,000

Motor Vehicle Account—Federal Appropriation $2,050,000

Motor Vehicle Account—Private/Local Appropriation $250,000

TOTAL APPROPRIATION $68,634,000

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

(1) The department shall spend at least $6,000,000 of the motor vehicle account—state appropriation for low-cost enhancements. The department shall give priority to low-cost enhancement projects that improve safety or provide congestion relief. By December 15th of each odd-numbered year, the department shall provide a report to the legislature listing all low-cost enhancement projects completed in the prior fiscal biennium.

(2) During the 2017-2019 fiscal biennium, the department shall continue a pilot program that expands private transportation providers' access to high occupancy vehicle lanes. Under the pilot program, when the department reserves a portion of a highway based on the number of passengers in a vehicle, the following vehicles must be authorized to use the reserved portion of the highway if the vehicle has the capacity to carry eight or more passengers, regardless of the number of passengers in the vehicle: (a) Auto transportation company vehicles regulated under chapter 81.68 RCW; (b) passenger charter carrier vehicles regulated under chapter 81.70 RCW, except marked or unmarked stretch limousines and stretch sport utility vehicles as defined under department of licensing rules; (c) private nonprofit transportation provider vehicles regulated under chapter 81.66 RCW; and (d) private employer transportation service vehicles. For purposes of this subsection, "private employer transportation service" means regularly scheduled, fixed-route transportation service that is offered by an employer for the benefit of its employees. Nothing in this subsection is intended to authorize the conversion of public infrastructure to private, for-profit purposes or to otherwise create an entitlement or other claim by private users to public infrastructure.

(3) When regional transit authority construction activities are visible from a state highway, the department shall allow the regional transit authority to place safe and appropriate signage informing the public of the purpose of the construction activity.

(4) The department must make signage for low-height bridges a high priority.

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

Motor Vehicle Account—State Appropriation $34,396,000

Motor Vehicle Account—Federal Appropriation $1,656,000

Multimodal Transportation Account—State

Appropriation $1,128,000

TOTAL APPROPRIATION $37,180,000

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

(1) $1,500,000 of the motor vehicle account—state appropriation is provided solely for a grant program that makes awards for the following: (a) Support for nonproject agencies, churches, and other entities to help provide outreach to populations underrepresented in the current apprenticeship programs; (b) preapprenticeship training; and (c) 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.

(2)(a) During the 2017-2019 fiscal biennium, the department may proceed with the pilot project selling commercial advertising, including product placement, on department web sites and social media. In addition, the department may sell a version of its mobile application(s) to users who desire to have access to application(s) without advertising.

(b) The department shall deposit all moneys received from the sale of advertisements on web site and mobile applications into the motor vehicle fund created in RCW 46.68.070.

(c) The department shall adopt standards for advertising, product placement, and other forms of commercial recognition that require the department to define and prohibit, at a minimum, the content containing any of the following characteristics, which is not permitted: (i) Obscene, indecent, or discriminatory content; (ii) political or public issue advocacy content; (iii) products, services, or other materials that are offensive, insulting, disparaging, or degrading; or (iv) products, services, or messages that are contrary to the public interest, including any advertisements that encourage or depict unsafe behaviors or encourage unsafe or prohibited driving activities. Alcohol, tobacco, and cannabis are included among the products prohibited.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—TRANSPORTATION PLANNING, DATA, AND RESEARCH—PROGRAM T**

Motor Vehicle Account—State Appropriation $24,997,000

Motor Vehicle Account—Federal Appropriation $33,854,000

Multimodal Transportation Account—State Appropriation $810,000

Multimodal Transportation Account—Federal

Appropriation $2,809,000

Multimodal Transportation Account—Private/Local

Appropriation $100,000

TOTAL APPROPRIATION $62,570,000

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—CHARGES FROM OTHER AGENCIES—PROGRAM U**

Motor Vehicle Account—State Appropriation $71,527,000

Multimodal Transportation Account—State

Appropriation $1,665,000

TOTAL APPROPRIATION $73,192,000

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

State Vehicle Parking Account—State Appropriation $754,000

Regional Mobility Grant Program Account—State

Appropriation $92,347,000

Rural Mobility Grant Program Account—State

Appropriation $32,223,000

Multimodal Transportation Account—State

Appropriation $89,573,000

Multimodal Transportation Account—Federal

Appropriation $3,574,000

TOTAL APPROPRIATION $218,471,000

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

(1) $52,679,000 of the multimodal transportation account—state appropriation is provided solely for a grant program for special needs transportation provided by transit agencies and nonprofit providers of transportation. Of this amount:

(a) $11,036,000 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.

(b) $41,643,000 of the multimodal transportation account—state appropriation is provided solely for grants to transit agencies to transport persons with special transportation needs. To receive a grant, the transit agency must, to the greatest extent practicable, have a maintenance of effort for special needs transportation that is no less than the previous year's maintenance of effort for special needs transportation. 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.

(2) $28,785,000 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.

(3)(a) $9,321,000 of the multimodal transportation account—state appropriation is provided solely for a vanpool grant program for: (i) Public transit agencies to add vanpools or replace vans; and (ii) incentives for employers to increase employee vanpool use. The grant program for public transit agencies will 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 shall encourage grant applicants and recipients to leverage funds other than state funds.

(b) At least $1,600,000 of the amount provided in this subsection must be used for vanpool grants in congested corridors.

(4) $11,083,000 of the regional mobility grant program account—state appropriation is reappropriated and provided solely for the regional mobility grant projects identified in OFM Transportation Document 17GOV001 as developed December 14, 2016, Program - Public Transportation Program (V).

(5)(a) $77,679,000 of the regional mobility grant program account—state appropriation is provided solely for the regional mobility grant projects identified in OFM Transportation Document 17GOV001 as developed December 14, 2016, Program - Public Transportation Program (V). The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded funds, but does not report activity on the project within one year of the grant award, must be reviewed by the department to determine whether the grant should be terminated. The department shall promptly close out grants when projects have been completed, and any remaining funds must be used only to fund projects identified in the OFM transportation document referenced in this subsection. The department shall provide annual status reports on December 15, 2017, and December 15, 2018, to the office of financial management and the transportation committees of the legislature regarding the projects receiving the grants. It is the intent of the legislature to appropriate funds through the regional mobility grant program only for projects that will be completed on schedule. A grantee may not receive more than twenty-five percent of the amount appropriated in this subsection. The department shall not approve any increases or changes to the scope of a project for the purpose of a grantee expending remaining funds on an awarded grant.

(b) In order to be eligible to receive a grant under (a) of this subsection during the 2017-2019 fiscal biennium, a transit agency must establish a process for private transportation providers to apply for the use of park and ride facilities. For purposes of this subsection, (i) "private transportation provider" means: An auto transportation company regulated under chapter 81.68 RCW; a passenger charter carrier regulated under chapter 81.70 RCW, except marked or unmarked stretch limousines and stretch sport utility vehicles as defined under department of licensing rules; a private nonprofit transportation provider regulated under chapter 81.66 RCW; or a private employer transportation service provider; and (ii) "private employer transportation service" means regularly scheduled, fixed-route transportation service that is offered by an employer for the benefit of its employees.

(6) Funds provided for the commute trip reduction (CTR) program may also be used for the growth and transportation efficiency center program.

(7) $5,670,000 of the multimodal transportation account—state appropriation and $754,000 of the state vehicle parking account—state appropriation are provided solely for CTR grants and activities.

(8) $200,000 of the multimodal transportation account—state appropriation is contingent on the timely development of an annual report summarizing the status of public transportation systems as identified under RCW 35.58.2796.

(9) $15,215,000 of the multimodal transportation account—state appropriation is provided solely for projects identified in OFM Transportation Document 17GOV001 as developed December 14, 2016. 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.

(10) $2,000,000 of the multimodal transportation account—state appropriation is provided solely for transit coordination grants.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—MARINE—PROGRAM X**

Puget Sound Ferry Operations Account—State

Appropriation $507,100,000

Puget Sound Ferry Operations Account—Federal

Appropriation $8,743,000

Puget Sound Ferry Operations Account—Private/Local

Appropriation $121,000

TOTAL APPROPRIATION $515,964,000

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

(1) The office of financial management budget instructions require agencies to recast enacted budgets into activities. The Washington state ferries shall include a greater level of detail in its 2017-2019 supplemental and 2019-2021 omnibus transportation appropriations act requests, as determined jointly by the office of financial management, the Washington state ferries, and the transportation committees of the legislature. This level of detail must include the administrative functions in the operating as well as capital programs.

(2) Until a reservation system is operational on the San Juan islands inter-island route, the department shall provide the same priority loading benefits on the San Juan islands inter-island route to home health care workers as are currently provided to patients traveling for purposes of receiving medical treatment.

(3) For the 2017-2019 fiscal biennium, the department may enter into a distributor controlled fuel hedging program and other methods of hedging approved by the fuel hedging committee.

(4) $71,135,000 of the Puget Sound ferry operations account—state appropriation is provided solely for auto ferry vessel operating fuel in the 2017-2019 fiscal biennium, which reflect cost savings from a reduced biodiesel fuel requirement and, therefore, is contingent upon the enactment of section 704 of this act. The amount provided in this subsection represents the fuel budget for the purposes of calculating any ferry fare fuel surcharge.

(5) When purchasing uniforms that are required by collective bargaining agreements, the department shall contract with the lowest cost provider.

(6) $30,000 of the Puget Sound ferry operations account—state appropriation is provided solely for the marine division assistant secretary's designee to the board of pilotage commissioners, who serves as the board chair. As the agency chairing the board, the department shall direct the board chair, in his or her capacity as chair, to require that the report to the governor and chairs of the transportation committees required under RCW 88.16.035(1)(f) be filed by September 1, 2017, and annually thereafter, and that the report include the establishment of policies and procedures necessary to increase the diversity of pilots, trainees, and applicants, including a diversity action plan. The diversity action plan must articulate a comprehensive vision of the board's diversity goals and the steps it will take to reach those goals.

(7) $15,000 of the Puget Sound ferry operations account—state appropriation is provided solely for completion of a market analysis by a commercial real estate broker for the relocation of the ferry division's headquarters. By September 30, 2017, the department shall report to the office of financial management and the transportation committees of the legislature on the resulting market analysis. The analysis must include the most cost-effective solution for both leased and owned options at Puget Sound locations with existing ferries facilities.

(8) $8,743,000 of the Puget Sound ferry operations account—federal appropriation is provided solely for vessel maintenance.

(9) $1,000,000 of the Puget Sound ferry operations account—state appropriation is provided solely for operating costs related to moving vessels for emergency capital repairs. Funds may only be spent after approval by the office of financial management.

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

Multimodal Transportation Account—State

Appropriation $80,999,000

Multimodal Transportation Account—Private/Local

Appropriation $46,000

TOTAL APPROPRIATION $81,045,000

The appropriations in this section are subject to the following conditions and limitations: $1,000,000 of the multimodal transportation account—state appropriation is provided solely for a consultant study of ultra high-speed ground transportation. "Ultra high-speed" means two hundred fifty miles per hour or more. The study must identify the costs and benefits of ultra high-speed ground transportation along a north-south alignment in Washington state. The study must provide:

(1) An update to the high speed ground transportation study commissioned pursuant to chapter 231, Laws of 1991 and delivered to the governor and legislature on October 15, 1992;

(2) An analysis of an ultra high-speed ground transportation alignment between Vancouver, British Columbia and Portland, Oregon with stations in: Vancouver, British Columbia; Bellingham, Everett, Seattle, SeaTac, Tacoma, Olympia, and Vancouver, Washington; and Portland, Oregon, with an option to connect with an east-west alignment in Washington state and with a similar system in the state of California;

(3) An analysis of the following key elements:

(a) Economic feasibility;

(b) Forecasted demand;

(c) Corridor identification;

(d) Land use and economic development and environmental implications;

(e) Compatibility with other regional transportation plans, including interfaces and impacts on other travel modes such as air transportation;

(f) Technological options for ultra high-speed ground transportation, both foreign and domestic;

(g) Required specifications for speed, safety, access, and frequency;

(h) Identification of existing highway or railroad rights-of-way that are suitable for ultra high-speed travel, including identification of additional rights-of-way that may be needed and the process for acquiring those rights-of-way;

(i) Institutional arrangements for carrying out detailed system planning, construction, and operations; and

(j) An analysis of potential financing mechanisms for an ultra high-speed travel system.

The department shall provide a report of its study findings to the governor and transportation committees of the legislature by December 15, 2017.

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

Motor Vehicle Account—State Appropriation $10,141,000

Motor Vehicle Account—Federal Appropriation $2,567,000

Multiuse Roadway Safety Account—State Appropriation $132,000

TOTAL APPROPRIATION $12,840,000

**TRANSPORTATION AGENCIES—CAPITAL**

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

Freight Mobility Investment Account—State

Appropriation $23,323,000

Highway Safety Account—State Appropriation $1,000,000

Motor Vehicle Account—Federal Appropriation $3,250,000

Freight Mobility Multimodal Account—State

Appropriation $20,163,000

Freight Mobility Multimodal Account—Private/Local

Appropriation $1,000,000

TOTAL APPROPRIATION $48,736,000

NEW SECTION. **Sec.**  **FOR THE WASHINGTON STATE PATROL**

State Patrol Highway Account—State Appropriation $3,753,000

The appropriation in this section is subject to the following conditions and limitations: The entire appropriation in this section is provided solely for the following projects:

(1) $250,000 for emergency repairs;

(2) $728,000 for roof replacements;

(3) $1,700,000 for the Shelton skid pan replacement;

(4) $200,000 for HVAC replacements;

(5) $175,000 for the Whiskey Ridge generator shelter; and

(6) $700,000 for equipment for the Shelton training tank.

The Washington state patrol may transfer funds between projects specified in this section to address cash flow requirements. If a project specified in this section is completed for less than the amount provided, the remainder may be transferred to another project specified in this section not to exceed the total appropriation provided in this section.

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

Rural Arterial Trust Account—State Appropriation $58,186,000

Motor Vehicle Account—State Appropriation $706,000

County Arterial Preservation Account—State

Appropriation $30,434,000

TOTAL APPROPRIATION $89,326,000

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

Small City Pavement and Sidewalk Account—State

Appropriation $5,780,000

Highway Safety Account—State Appropriation $3,000,000

Transportation Improvement Account—State

Appropriation $240,300,000

Multimodal Transportation Account—State

Appropriation $14,670,000

TOTAL APPROPRIATION $263,750,000

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

(1) The entire highway safety account—state appropriation is provided solely for the small city low-energy street light retrofit demonstration program.

(2) The entire multimodal transportation account—state appropriation is provided solely for the complete streets program.

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

Motor Vehicle Account—State Appropriation $6,087,000

Connecting Washington Account—State Appropriation $24,257,000

TOTAL APPROPRIATION $30,344,000

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

(1) $16,170,000 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.

(2) $8,087,000 of the connecting Washington account—state appropriation is provided solely for a new administration facility on Euclid Avenue in Wenatchee, Washington.

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

Transportation Partnership Account—State

Appropriation $570,992,000

Motor Vehicle Account—State Appropriation $40,786,000

Motor Vehicle Account—Federal Appropriation $223,059,000

Motor Vehicle Account—Private/Local Appropriation $23,522,000

Connecting Washington Account—State

Appropriation $1,106,122,000

Special Category C Account—State Appropriation $146,000

Multimodal Transportation Account—State

Appropriation $17,989,000

Alaskan Way Viaduct Replacement Project Account—State

Appropriation $122,046,000

Transportation 2003 Account (Nickel Account)—State

Appropriation $51,115,000

Interstate 405 Express Toll Lanes Operations Account—State

Appropriation $12,000,000

TOTAL APPROPRIATION $2,167,777,000

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—state appropriation and the entire transportation partnership account—state appropriation are provided solely for the projects and activities as listed by fund, project, and amount in OFM Transportation Document 17GOV001 as developed December 14, 2016, Program - Highway Improvements Program (I). However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in section 601 of this act.

(2) Except as otherwise provided in this section, the entire transportation 2003 account (nickel account)—state appropriation is provided solely for the projects and activities as listed in OFM Transportation Document 17GOV001 as developed December 14, 2016, Program – Highway Improvements Program (I).

(3) Except as provided otherwise in this section, the entire motor vehicle account—state appropriation and motor vehicle account—federal appropriation are provided solely for the projects and activities listed in OFM Transportation Document 17GOV001 as developed December 14, 2016, Program - Highway Improvements Program (I). Any federal funds gained through efficiencies, adjustments to the federal funds forecast, additional congressional action not related to a specific project or purpose, or the federal funds redistribution process must then be applied to highway and bridge preservation activities. However, no additional federal funds may be allocated to the I-5/Columbia River Crossing project (400506A).

(4) Within the motor vehicle account—state appropriation and motor vehicle account—federal appropriation, the department may transfer funds between programs I and P, except for funds that are otherwise restricted in this act.

(5) The connecting Washington account—state appropriation includes up to $307,944,000 in proceeds from the sale of bonds authorized in RCW 47.10.889.

(6) The transportation 2003 account (nickel account)—state appropriation includes up to $51,115,000 in proceeds from the sale of bonds authorized in RCW 47.10.861.

(7) The transportation partnership account—state appropriation includes up to $447,623,000 in proceeds from the sale of bonds authorized in RCW 47.10.873. Of this amount, $122,046,000 must be transferred to the Alaskan Way viaduct replacement project account.

(8) $159,407,000 of the transportation partnership account—state appropriation, $7,000 of the motor vehicle account—federal appropriation, $8,000,000 of the motor vehicle account—private/local appropriation, $29,100,000 of the transportation 2003 account (nickel account)—state appropriation, $122,046,000 of the Alaskan Way viaduct replacement project account—state appropriation, and $2,662,000 of the multimodal transportation account—state appropriation are provided solely for the SR 99/Alaskan Way Viaduct Replacement project (809936Z).

(9) $15,327,000 of the multimodal transportation account—state appropriation is provided solely for transit mitigation for the SR 99/Viaduct Project - Construction Mitigation project (809940B).

(10) Within existing resources, during the regular sessions of the legislature, the department of transportation shall participate in work sessions, before the transportation committees of the house of representatives and senate, on the Alaskan Way viaduct replacement project. These work sessions must include a report on current progress of the project, timelines for completion, outstanding claims, the financial status of the project, and any other information necessary for the legislature to maintain appropriate oversight of the project. The parties invited to present may include the department of transportation, the Seattle tunnel partners, and other appropriate stakeholders.

(11) $5,804,000 of the transportation partnership account—state appropriation, $5,162,000 of the transportation 2003 account (nickel account)—state appropriation, and $146,000 of the special category C account—state appropriation are provided solely for the US 395/North Spokane Corridor project (600010A). Any future savings on the project must stay on the US 395/Interstate 90 corridor and be made available to the current phase of the North Spokane corridor project or any future phase of the project in 2017-2019.

(12) $28,101,000 of the transportation partnership account—state appropriation and $10,956,000 of the transportation 2003 account (nickel account)—state appropriation are provided solely for the I-405/Kirkland Vicinity Stage 2 - Widening project (8BI1002). This project must be completed as soon as practicable as a design-build project. Any future savings on this project or other Interstate 405 corridor projects must stay on the Interstate 405 corridor and be made available to either the I-405/SR 167 Interchange - Direct Connector project (140504C) or the I-405 Renton to Bellevue project in the 2017-2019 fiscal biennium. The transportation partnership account—state appropriation in this subsection includes funding to begin preliminary engineering for adding capacity on Interstate 405 between state route number 522 and Interstate 5.

(13)(a) The SR 520 Bridge Replacement and HOV project (8BI1003) is supported over time from multiple sources, including a $300,000,000 TIFIA loan, $924,615,000 in Garvee bonds, toll revenues, state bonds, interest earnings, and other miscellaneous sources.

(b) $44,311,000 of the transportation partnership account—state appropriation is provided solely for the SR 520 Bridge Replacement and HOV project (8BI1003).

(c) When developing the financial plan for the project, the department shall assume that all maintenance and operation costs for the new facility are to be covered by tolls collected on the toll facility and not by the motor vehicle account.

(14) For urban corridors that are all or partially within a metropolitan planning organization boundary, for which the department has not initiated environmental review, and that require an environmental impact statement, at least one alternative must be consistent with the goals set out in RCW 47.01.440.

(15) The department shall itemize all future requests for the construction of buildings on a project list and submit them through the transportation executive information system as part of the department's 2018 budget submittal. It is the intent of the legislature that new facility construction must be transparent and not appropriated within larger highway construction projects.

(16) $49,014,000 of the motor vehicle account—federal appropriation and $6,800,000 of the motor vehicle account—state appropriation are provided solely for fish passage barrier and chronic deficiency improvements (0BI4001).

(17) Any new advisory group that the department convenes during the 2017-2019 fiscal biennium must consider the interests of the entire state of Washington.

(18) 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.

(19) Of the amounts allocated to the Puget Sound Gateway project (M00600R) in OFM Transportation Document 17GOV001 as developed December 14, 2016, $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.

(20) 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.

(21) 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.

(22) $600,000 of the motor vehicle account—state appropriation is provided solely for the department to complete an interchange justification report (IJR) for the U.S. 2 trestle (L1000158), covering the state route number 204 and 20th Street interchanges at the end of the westbound structure.

(a) The department shall develop the IJR in close collaboration with affected local jurisdictions, including Snohomish county and the cities of Everett, Lake Stevens, Marysville, Snohomish, and Monroe.

(b) Within the amount provided for the IJR, the department must address public outreach and the overall operational approval of the IJR.

(c) The department shall complete the IJR and submit the final report to the governor and the transportation committees of the legislature by July 1, 2018.

(23) The legislature recognizes that the city of Mercer Island has unique access issues that require the use of Interstate 90 to leave the island and that this access may be impeded by the I-90/Two Way Transit and HOV Improvements project. The department must continue to work with the city of Mercer Island to address potential access solutions as the project nears completion.

(24) $2,000,000 of the Interstate 405 express toll lanes operations account—state appropriation is provided solely for the I-405 NB Hard Shoulder Running – SR 527 to I-5 project (L1000163).

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

Recreational Vehicle Account—State Appropriation $2,480,000

Transportation Partnership Account—State

Appropriation $1,637,000

Motor Vehicle Account—State Appropriation $50,894,000

Motor Vehicle Account—Federal Appropriation $551,706,000

Motor Vehicle Account—Private/Local Appropriation $10,400,000

State Route Number 520 Corridor Account—State

Appropriation $498,000

Connecting Washington Account—State Appropriation $185,030,000

Tacoma Narrows Toll Bridge Account—State Appropriation $384,000

Transportation 2003 Account (Nickel Account)—State

Appropriation $58,894,000

TOTAL APPROPRIATION $861,923,000

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—state appropriation and the entire transportation partnership account—state appropriation are provided solely for the projects and activities as listed by fund, project, and amount in OFM Transportation Document 17GOV001 as developed December 14, 2016, Program - Highway Preservation Program (P). However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in section 601 of this act.

(2) Except as otherwise provided in this section, the entire transportation 2003 account (nickel account)—state appropriation is provided solely for the projects and activities as listed in OFM Transportation Document 17GOV001 as developed December 14, 2016, Program – Highway Preservation Program (P).

(3) Except as provided otherwise in this section, the entire motor vehicle account—state appropriation and motor vehicle account—federal appropriation are provided solely for the projects and activities listed in OFM Transportation Document 17GOV001 as developed December 14, 2016, Program - Highway Preservation Program (P). Any federal funds gained through efficiencies, adjustments to the federal funds forecast, additional congressional action not related to a specific project or purpose, or the federal funds redistribution process must then be applied to highway and bridge preservation activities. However, no additional federal funds may be allocated to the I-5/Columbia River Crossing project (400506A).

(4) Within the motor vehicle account—state appropriation and motor vehicle account—federal appropriation, the department may transfer funds between programs I and P, except for funds that are otherwise restricted in this act.

(5) The transportation 2003 account (nickel account)—state appropriation includes up to $11,891,000 in proceeds from the sale of bonds authorized in RCW 47.10.861.

(6) 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.

(7) $7,200,000 of the connecting Washington account—state appropriation is provided solely for the land mobile radio upgrade (G2000055). The land mobile radio project is subject to technical oversight by the office of the chief information officer. The department, in collaboration with the office of the chief information officer, shall identify where existing or proposed mobile radio technology investments should be consolidated, identify when existing or proposed mobile radio technology investments can be reused or leveraged to meet multiagency needs, increase mobile radio interoperability between agencies, and identify how redundant investments can be reduced over time. The department shall also provide quarterly reports to the technology services board on project progress.

(8) $5,000,000 of the motor vehicle account—state appropriation is provided solely for extraordinary costs incurred from litigation awards, settlements, or dispute mitigation activities not eligible for funding from the self-insurance fund. The amount provided in this subsection must be held in unallotted status until the department submits a request to the office of financial management that includes documentation detailing litigation-related expenses. The office of financial management may release the funds only when it determines that all other funds designated for litigation awards, settlements, and dispute mitigation activities have been exhausted. No funds provided in this subsection may be expended on any legal fees related to the SR99/Alaskan Way viaduct replacement project.

(9) The motor vehicle account—federal appropriation in this section includes funding for preservation and improvement projects on the national highway freight network. Before programming federal national highway freight program funds designated for the national highway freight network under this subsection, the department shall validate projects on the prioritized freight project list submitted on November 1, 2016. Only projects that are validated by the department may receive funding under this subsection. The department shall continue to work with the Washington state freight advisory committee to improve project screening and validation to support project prioritization and selection, including during the freight mobility plan update in 2017.

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

Motor Vehicle Account—State Appropriation $5,816,000

Motor Vehicle Account—Federal Appropriation $5,106,000

Motor Vehicle Account—Private/Local Appropriation $500,000

TOTAL APPROPRIATION $11,422,000

The appropriations in this section are subject to the following conditions and limitations: The department shall set aside a sufficient portion of the motor vehicle account—state appropriation for federally selected competitive grants or congressional earmark projects that require matching state funds. State funds set aside as matching funds for federal projects must be accounted for in project 000005Q and remain in unallotted status until needed for those federal projects.

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

Puget Sound Capital Construction Account—State

Appropriation $66,697,000

Puget Sound Capital Construction Account—Federal

Appropriation $132,587,000

Puget Sound Capital Construction Account—Private/Local

Appropriation $15,654,000

Transportation Partnership Account—State

Appropriation $2,923,000

Connecting Washington Account—State Appropriation $144,321,000

TOTAL APPROPRIATION $362,182,000

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

(1) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed in OFM Transportation Document 17GOV001 as developed December 14, 2016, Program - Washington State Ferries Capital Program (W).

(2) $40,000,000 of the connecting Washington account—state appropriation is provided solely for the acquisition of a 144-car vessel (L20000109).

(3) $6,000,000 of the Puget Sound capital construction account—federal appropriation and $64,788,000 of the connecting Washington account—state appropriation are provided solely for the Mukilteo ferry terminal (952515P). It is the intent of the legislature, over the sixteen-year investment program, to provide $159,000,000 to complete the Mukilteo Terminal Replacement project (952515P). These funds are identified in the OFM 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.

(4) $61,729,000 of the Puget Sound capital construction account—federal appropriation, $37,029,000 of the connecting Washington account—state appropriation, and $15,554,000 of the Puget Sound capital construction account—private/local appropriation are provided solely for the Seattle Terminal Replacement project (900010L). It is the intent of the legislature, over the sixteen-year investment program, to provide $350,000,000 to complete the project. These funds are identified in the OFM transportation document referenced in subsection (1) of this section.

(5) $7,000,000 of the Puget Sound capital construction account—state appropriation is provided solely for emergency capital repair costs (999910K). Funds may only be spent after approval by the office of financial management.

(6) If the department pursues a conversion of the existing diesel powered Issaquah class fleet to a different fuel source or engine technology or the construction of a new vessel powered by a fuel source or engine technology that is not diesel powered, the department must use a design-build procurement process.

(7) $755,000 of the Puget Sound capital construction account—state appropriation is provided solely for planning and predesign studies to prepare the department for replacement of the super class vessels. As part of the planning, the department shall update the long-range plan to identify vessel replacement needs, revised estimates for new vessel costs, size, and purchase time frames. As part of the update, the department shall evaluate the feasibility of adding an option for a fifth 144-car vessel to the existing 144-car vessel procurement. Additionally, the long-range plan must include a vessel retirement schedule and associated reserve vessel policy recommendations.

(8) $178,000 of the Puget Sound capital construction account—federal appropriation and $479,000 of the Puget Sound capital construction—state appropriation are provided solely for installation of security access control and video monitoring systems, and for enhancing wireless network capacity to handle higher security usage, increase connectivity between vessels and land-based facilities, and isolate the security portion of the network from regular business (project 998925A).

(9)(a)(i) During the competitive procurement process and before its release, the office of financial management shall review the request for proposals and all other related competitive procurement documents for a new dispatch system to ensure the request for proposals:

(A) Provides for the business needs of the state; and

(B) Mitigates risk to the state.

(ii) During development of the request for proposals and before its release, the office of the chief information officer shall review the request for proposals and all other related competitive procurement documents for a dispatch system to ensure the request for proposals:

(A) Contains requirements that meet the security standards and policies of the office of the chief information officer; and

(B) Is flexible and adaptable to advances in technology.

(b)(i) Before commencement of the new dispatch system implementation, the department shall submit a draft technology management plan to the office of financial management and the office of the chief information officer that includes a provision for independent verification and validation of contract deliverables from the successful bidder and a provision for quality assurance that includes reporting independently to the office of the chief information officer on an ongoing basis during system implementation;

(ii) The technology management plan must include:

(A) A technology budget, identifying project costs, funding sources, and anticipated deliverables through each stage of the investment and across fiscal periods and biennia from project initiation to implementation;

(B) An organizational chart of the project management team that identifies team members and their roles and responsibilities;

(C) A risk management plan;

(D) An implementation schedule covering activities, critical milestones, and deliverables at each stage of the project for the life of the project; and

(E) Performance measures used to determine that the project is on time, within budget, and meeting expectations for quality of work product.

(c) The department must provide a project status report to the office of financial management and the transportation committees of the legislature on at least a calendar quarterly basis. The report must include, but is not limited to:

(i) Detailed information about the planned and actual scope, schedule, and budget;

(ii) Status of key vendor and other project deliverables; and

(iii) A description of significant changes to planned deliverables or system functions over the life of the project.

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

Essential Rail Assistance Account—State Appropriation $424,000

Transportation Infrastructure Account—State

Appropriation $5,367,000

Multimodal Transportation Account—State

Appropriation $48,512,000

Multimodal Transportation Account—Federal

Appropriation $1,020,000

TOTAL APPROPRIATION $55,323,000

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

(1) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed by project and amount in OFM Transportation Document 17GOV001 as developed December 14, 2016, Program - Rail Program (Y).

(2) $5,000,000 of the transportation infrastructure account—state appropriation is provided solely for new low-interest loans approved by the department through the freight rail investment bank (FRIB) program. The department shall issue FRIB program loans with a repayment period of no more than ten years, and charge only so much interest as is necessary to recoup the department's costs to administer the loans. For the 2017-2019 fiscal biennium, the department shall first award loans to 2017-2019 FRIB loan applicants in priority order, and then offer loans to 2017-2019 unsuccessful freight rail assistance program grant applicants, if eligible. If any funds remain in the FRIB program, the department may reopen the loan program and shall evaluate new applications in a manner consistent with past practices as specified in section 309, chapter 367, Laws of 2011. The department shall report annually to the transportation committees of the legislature and the office of financial management on all FRIB loans issued.

(3)(a) $5,390,000 of the multimodal transportation account—state appropriation and $367,000 of the transportation infrastructure account—state appropriation are provided solely for new statewide emergent freight rail assistance projects identified in the OFM transportation document referenced in subsection (1) of this section.

(b) Of the amounts provided in this subsection, $367,000 of the transportation infrastructure account—state appropriation and $1,100,000 of the multimodal transportation account—state appropriation are provided solely to reimburse Highline Grain, LLC for approved work completed on Palouse River and Coulee City (PCC) railroad track in Spokane county between the BNSF Railway Interchange at Cheney and Geiger Junction and must be administered in a manner consistent with freight rail assistance program projects. The value of the public benefit of this project is expected to meet or exceed the cost of this project in: Shipper savings on transportation costs; jobs saved in rail-dependent industries; and/or reduced future costs to repair wear and tear on state and local highways due to fewer annual truck trips (reduced vehicle miles traveled). The amounts provided in this subsection are not a commitment for future legislatures, but it is the legislature's intent that future legislatures will work to approve biennial appropriations until the full $7,337,000 cost of this project is reimbursed.

(4)(a) $400,000 of the essential rail assistance account—state appropriation and $305,000 of the multimodal transportation account—state appropriation are provided solely for the purpose of the rehabilitation and maintenance of the Palouse river and Coulee City railroad line (F01111B).

(b) Expenditures from the essential rail assistance account—state in this subsection may not exceed the combined total of:

(i) Revenues deposited into the essential rail assistance account from leases and sale of property pursuant to RCW 47.76.290; and

(ii) Revenues transferred from the miscellaneous program account to the essential rail assistance account, pursuant to RCW 47.76.360, for the purpose of sustaining the grain train program by maintaining the Palouse river and Coulee City railroad.

(5) The department shall issue a call for projects for the freight rail assistance program, and shall evaluate the applications in a manner consistent with past practices as specified in section 309, chapter 367, Laws of 2011. By November 15, 2017, 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—CAPITAL**

Highway Infrastructure Account—State Appropriation $293,000

Highway Infrastructure Account—Federal Appropriation $218,000

Transportation Partnership Account—State

Appropriation $1,143,000

Highway Safety Account—State Appropriation $2,388,000

Motor Vehicle Account—State Appropriation $100,000

Motor Vehicle Account—Federal Appropriation $16,087,000

Motor Vehicle Account—Private/Local Appropriation $18,000,000

Connecting Washington Account—State Appropriation $115,293,000

Multimodal Transportation Account—State

Appropriation $55,207,000

TOTAL APPROPRIATION $208,729,000

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

(1) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed by project and amount in OFM Transportation Document 17GOV001 as developed December 14, 2016, Program - Local Programs Program (Z).

(2) The amounts identified in the OFM transportation document referenced under subsection (1) of this section for pedestrian safety/safe routes to school are as follows:

(a) $24,812,000 of the multimodal transportation account—state appropriation and $1,143,000 of the transportation partnership account—state appropriation are provided solely for pedestrian and bicycle safety program projects (project L2000188).

(b) $6,100,000 of the motor vehicle account—federal appropriation and $7,750,000 of the multimodal transportation account—state appropriation are provided solely for newly selected safe routes to school projects. $6,372,000 of the motor vehicle account—federal appropriation, $923,000 of the multimodal transportation account—state appropriation, and $2,388,000 of the highway safety account—state appropriation are reappropriated for safe routes to school projects selected in the previous biennia (project 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.

(3) The department shall submit a report to the transportation committees of the legislature by December 1, 2017, and December 1, 2018, on the status of projects funded as part of the pedestrian safety/safe routes to school grant program. The report must include, but is not limited to, a list of projects selected and a brief description of each project's status.

(4) $21,722,000 of the multimodal transportation account—state appropriation is provided solely for bicycle and pedestrian projects listed in OFM Transportation Document 17GOV001 as developed December 14, 2016. 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—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALES DISCOUNTS AND DEBT TO BE PAID BY MOTOR VEHICLE ACCOUNT AND TRANSPORTATION FUND REVENUE**

Transportation Partnership Account—State

Appropriation $2,238,000

Connecting Washington Account—State Appropriation $1,540,000

Highway Bond Retirement Account—State

Appropriation $1,179,347,000

Ferry Bond Retirement Account—State Appropriation $28,873,000

Transportation Improvement Board Bond Retirement

Account—State Appropriation $13,907,000

Nondebt-Limit Reimbursable Bond Retirement

Account—State Appropriation $26,608,000

Toll Facility Bond Retirement Account—State

Appropriation $86,492,000

Transportation 2003 Account (Nickel Account)—State

Appropriation $315,000

TOTAL APPROPRIATION $1,339,320,000

NEW SECTION. **Sec.**  **FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES AND FISCAL AGENT CHARGES**

Transportation Partnership Account—State

Appropriation $448,000

Connecting Washington Account—State Appropriation $308,000

Transportation 2003 Account (Nickel Account)—State

Appropriation $63,000

TOTAL APPROPRIATION $819,000

NEW SECTION. **Sec.**  **FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT TO BE PAID BY STATUTORILY PRESCRIBED REVENUE**

Toll Facility Bond Retirement Account—Federal

Appropriation $199,901,000

Toll Facility Bond Retirement Account—State

Appropriation $25,372,000

TOTAL APPROPRIATION $225,273,000

NEW SECTION. **Sec.**  **FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION**

Motor Vehicle Account—State Appropriation:

For motor vehicle fuel tax distributions to

cities and counties $511,163,000

NEW SECTION. **Sec.**  **FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION**

Multimodal Transportation Account—State

Appropriation: For distribution to

cities and counties $26,786,000

Motor Vehicle Account—State

Appropriation: For distribution to

cities and counties $23,438,000

TOTAL APPROPRIATION $50,224,000

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

Motor Vehicle Account—State Appropriation:

For motor vehicle fuel tax refunds and

statutory transfers $2,181,844,000

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

Motor Vehicle Account—State Appropriation:

For motor vehicle fuel tax refunds and

transfers $200,006,000

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

(1) License Plate Technology Account—State

Appropriation: For transfer to the Highway

Safety Account—State, the lesser of this amount

or the balance of the account $3,500,000

(2) State Patrol Highway Account—State

Appropriation: For transfer to the Connecting

Washington Account—State $21,221,000

(3) Transportation Infrastructure Account—State

Appropriation: For transfer to the Multimodal

Transportation Account—State, the lesser of this

amount or the balance of the account $5,000,000

(4) Transportation Partnership Account—State

Appropriation: For transfer to the Connecting

Washington Account—State $10,946,000

(5) Highway Safety Account—State

Appropriation: For transfer to the Multimodal

Transportation Account—State $10,000,000

(6) Highway Safety Account—State

Appropriation: For transfer to the State Patrol

Highway Account—State $30,000,000

(7) Motor Vehicle Account—State Appropriation:

For transfer to the Connecting Washington

Account—State $56,464,000

(8) Motor Vehicle Account—State Appropriation:

For transfer to the Freight Mobility Investment

Account—State $8,511,000

(9) Motor Vehicle Account—State Appropriation:

For transfer to the Puget Sound Capital

Construction Account—State $30,500,000

(10) Motor Vehicle Account—State Appropriation:

For transfer to the Rural Arterial Trust

Account—State $4,844,000

(11) Motor Vehicle Account—State Appropriation:

For transfer to the Transportation Improvement

Account—State $9,688,000

(12) Motor Vehicle Account—State Appropriation:

For transfer to the State Patrol Highway

Account—State $30,000,000

(13) Puget Sound Ferry Operations Account—State

Appropriation: For transfer to the Connecting

Washington Account—State $1,305,000

(14) Rural Mobility Grant Program Account—State

Appropriation: For transfer to the Multimodal

Transportation Account—State $3,000,000

(15) State Route Number 520 Civil Penalties

Account—State Appropriation: For transfer to

the State Route Number 520 Corridor

Account—State $932,000

(16) Capital Vessel Replacement Account—State

Appropriation: For transfer to the Connecting

Washington Account—State, the lesser of this

amount or the balance of the account $36,500,000

(17) Multimodal Transportation Account—State

Appropriation: For transfer to the Electric

Vehicle Charging Infrastructure Account—State $1,000,000

(18) Multimodal Transportation Account—State

Appropriation: For transfer to the Freight

Mobility Multimodal Account—State $8,511,000

(19) Multimodal Transportation Account—State

Appropriation: For transfer to the Puget Sound

Capital Construction Account—State $30,500,000

(20) Multimodal Transportation Account—State

Appropriation: For transfer to the Puget Sound

Ferry Operations Account—State $25,000,000

(21) Multimodal Transportation Account—State

Appropriation: For transfer to the Regional

Mobility Grant Program Account—State $24,669,000

(22) Multimodal Transportation Account—State

Appropriation: For transfer to the Rural

Mobility Grant Program Account—State $15,223,000

(23)(a) Multimodal Transportation Account—State

Appropriation: For transfer to the Pilotage

Account—State $1,016,000

(b) The transfer identified in this subsection is provided solely for the board of pilotage commissioners to pay for self-insurance liability premiums. The board may not use any of the moneys transferred in this subsection for any other operating expenses.

(24) Tacoma Narrows Toll Bridge Account—State

Appropriation: For transfer to the Motor

Vehicle Account—State $950,000

(25) Transportation 2003 Account

(Nickel Account)—State Appropriation:

For transfer to the Connecting Washington

Account—State $22,970,000

(26) Interstate 405 Express Toll Lanes

Operations Account—State Appropriation:

For transfer to the Motor Vehicle

Account—State $2,019,000

(27)(a) Transportation Partnership

Account—State Appropriation: For transfer to

the Alaskan Way Viaduct Replacement Project

Account—State $122,046,000

(b) The amount transferred in this subsection represents proceeds from the sale of bonds authorized in RCW 47.10.873 and is intended to be used only for the SR 99/Alaskan Way Viaduct Replacement project (809936Z).

**COMPENSATION**

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENTS NOT IMPAIRED**

Nothing in this act prohibits the expenditure of any funds by an agency or institution of the state for benefits guaranteed by any collective bargaining agreement in effect on the effective date of this section.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENTS**

Sections 503 through 519 of this act represent the results of the 2017-2019 collective bargaining process required under chapters 47.64, 41.80, and 41.56 RCW. Provisions of the collective bargaining agreements contained in sections 503 through 516 of this act are described in general terms. Only major economic terms are included in the descriptions. These descriptions do not contain the complete contents of the agreements. The collective bargaining agreements contained in sections 503 through 519 of this act may also be funded by expenditures from nonappropriated accounts. If positions are funded with lidded grants or dedicated fund sources with insufficient revenue, additional funding from other sources is not provided.

NEW SECTION. **Sec.**  **DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENT—OPEIU**

An agreement has been reached between the governor and the office and professional employees international union local eight (OPEIU) through an interest arbitration award pursuant to chapter 47.64 RCW for the 2017-2019 fiscal biennium. Funding is provided for the awarded six and one-half percent general wage increase effective July 1, 2017, and six and one-half percent general wage increase effective July 1, 2018. The agreement also includes and funding is provided for salary adjustments for targeted job classifications and restructuring of the pay schedule.

NEW SECTION. **Sec.**  **DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENT—FASPAA**

An agreement has been reached between the governor and the ferry agents, supervisors, and project administrators association pursuant to chapter 47.64 RCW for the 2017-2019 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2017, and a two percent general wage increase effective July 1, 2018.

NEW SECTION. **Sec.**  **DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENT—SEIU LOCAL 6**

An agreement has been reached between the governor and the service employees international union local 6 pursuant to chapter 47.64 RCW for the 2017-2019 fiscal biennium. Funding is provided for a six percent general wage increase effective July 1, 2017, and a four percent general wage increase effective July 1, 2018.

NEW SECTION. **Sec.**  **DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENT—CARPENTERS**

An agreement has been reached between the governor and the Pacific Northwest regional council of carpenters through an interest arbitration award pursuant to chapter 47.64 RCW for the 2017-2019 fiscal biennium. Funding is provided for the awarded four percent general wage increase effective July 1, 2017, and three percent general wage increase effective July 1, 2018. The agreement also includes and funding is provided for increases in the wage differential among certain job classifications.

NEW SECTION. **Sec.**  **DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENT—METAL TRADES**

An agreement has been reached between the governor and the Puget Sound metal trades council through an interest arbitration award pursuant to chapter 47.64 RCW for the 2017-2019 fiscal biennium. Funding is provided for the awarded three percent general wage increase effective July 1, 2017, and three percent general wage increase effective July 1, 2018. The agreement also includes and funding is provided for increases in the wage differential among certain job classifications.

NEW SECTION. **Sec.**  **DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENT—MEBA-UL**

An agreement has been reached between the governor and the marine engineers' beneficial association unlicensed engine room employees pursuant to chapter 47.64 RCW for the 2017-2019 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2017, and a two percent general wage increase effective July 1, 2018.

NEW SECTION. **Sec.**  **DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENT—MEBA-L**

An agreement has been reached between the governor and the marine engineers' beneficial association licensed engineer officers pursuant to chapter 47.64 RCW for the 2017-2019 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2017, and a two percent general wage increase effective July 1, 2018. The agreement also includes and funding is provided for an additional pay increase to address inversion among certain job classifications.

NEW SECTION. **Sec.**  **DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENT—MM&P MATES**

An agreement has been reached between the governor and the master, mates, and pilots - mates pursuant to chapter 47.64 RCW for the 2017-2019 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2017, and a two percent general wage increase effective July 1, 2018.

NEW SECTION. **Sec.**  **DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENT—MM&P MASTERS**

An agreement has been reached between the governor and the master, mates, and pilots - masters through an interest arbitration award pursuant to chapter 47.64 RCW for the 2017-2019 fiscal biennium. Funding is provided for a five and one-half percent general wage increase effective July 1, 2017, and a two and one-half percent general wage increase effective July 1, 2018. The award also includes and funding is provided for an additional pay increase to address inversion among certain job classifications.

NEW SECTION. **Sec.**  **DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENT—MM&P WATCH CENTER SUPERVISORS**

An agreement has been reached between the governor and the master, mates, and pilots – watch center supervisors pursuant to chapter 47.64 RCW for the 2017-2019 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2017, and a one percent general wage increase effective July 1, 2018. The agreement also includes and funding is provided for an increase for the fleet safety and training administrators equal to the same hourly rate of pay as the watch center supervisors.

NEW SECTION. **Sec.**  **DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENT—IBU**

An agreement has been reached between the governor and the inlandboatmen's union pursuant to chapter 47.64 RCW for the 2017-2019 fiscal biennium. Funding is provided for a four percent general wage increase effective July 1, 2017, and a one percent general wage increase effective July 1, 2018. The agreement also includes and funding is provided for increases in the wage differential among certain job classifications and for employees hired on or after June 30, 2011, an increase in leave earned.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENT—PTE LOCAL 17**

An agreement has been reached between the governor and the professional and technical employees local 17 pursuant to chapter 41.80 RCW for the 2017-2019 fiscal biennium. Funding is provided for a two percent general wage increase effective July 1, 2017, a two percent general wage increase effective July 1, 2018, and a two percent general wage increase effective January 1, 2019. The agreement also includes and funding is provided for salary adjustments for targeted job classifications and increases to vacation leave accruals.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENT—WFSE**

An agreement has been reached between the governor and the Washington federation of state employees general government pursuant to chapter 41.80 RCW for the 2017-2019 fiscal biennium. Funding is provided for a two percent general wage increase effective July 1, 2017, a two percent general wage increase effective July 1, 2018, and a two percent general wage increase effective January 1, 2019. The agreement also includes and funding is provided for salary adjustments for targeted job classifications and increases to vacation leave accruals.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENT—WPEA**

An agreement has been reached between the governor and the Washington public employees association general government pursuant to chapter 41.80 RCW for the 2017-2019 fiscal biennium. Funding is provided for a two percent general wage increase effective July 1, 2017, a two percent general wage increase effective July 1, 2018, and a two percent general wage increase effective January 1, 2019. The agreement also includes and funding is provided for salary adjustments for targeted job classifications and increases to vacation leave accruals.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENT—COALITION OF UNIONS**

An agreement has been reached between the governor and the coalition of unions pursuant to chapter 41.80 RCW for the 2017-2019 fiscal biennium. Funding is provided for a two percent general wage increase effective July 1, 2017, a two percent general wage increase effective July 1, 2018, and a two percent general wage increase effective January 1, 2019. The agreement also includes and funding is provided for salary adjustments for targeted job classifications and increases to vacation leave accruals.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENT—WSP TROOPERS ASSOCIATION**

An agreement has been reached between the governor and the Washington state patrol troopers association pursuant to chapter 41.56 RCW for the 2017-2019 fiscal biennium. Funding is provided for a sixteen percent general wage increase for troopers effective July 1, 2017, and a three percent general wage increase for troopers effective July 1, 2018. Funding is also provided for a twenty percent general wage increase for sergeants effective July 1, 2017, and a three percent general wage increase for sergeants effective July 1, 2018. The agreement also includes and funding is provided for increases to longevity pay, changes to specialty pay, and an increase to vacation accruals.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENT—WSP LIEUTENANTS ASSOCIATION**

An agreement has been reached between the governor and the Washington state patrol lieutenants association pursuant to chapter 41.56 RCW for the 2017-2019 fiscal biennium. Funding is provided for a twenty percent general wage increase effective July 1, 2017, and a three percent general wage increase effective July 1, 2018. The agreement also includes and funding is provided for increases to longevity pay.

NEW SECTION. **Sec.**  **COMPENSATION—REPRESENTED EMPLOYEES—SUPER COALITION—INSURANCE BENEFITS**

An agreement was reached for the 2017-2019 fiscal biennium between the governor and the health care super coalition pursuant to chapter 41.80 RCW. Appropriations in this act for state agencies, including institutions of higher education, are sufficient to implement the provisions of the 2017-2019 collective bargaining agreement and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan must not exceed $970 per eligible employee for fiscal year 2018. For fiscal year 2019, the monthly employer funding rate must not exceed $1,029 per eligible employee.

(b) Except as provided by the parties' health care agreement, in order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or other changes to benefits consistent with RCW 41.05.065.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts must not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2018 and 2019, the subsidy must be up to $150 per month.

NEW SECTION. **Sec.**  **COMPENSATION—REPRESENTED EMPLOYEES OUTSIDE SUPER COALITION—INSURANCE BENEFITS**

Appropriations for state agencies in this act are sufficient for represented employees outside the super coalition for health benefits and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan must not exceed $970 per eligible employee for fiscal year 2018. For fiscal year 2019, the monthly employer funding rate must not exceed $1,029 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or other changes to benefits consistent with RCW 41.05.065.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts must not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2018 and 2019, the subsidy must be up to $150 per month.

NEW SECTION. **Sec.**  **COMPENSATION—NONREPRESENTED EMPLOYEES—INSURANCE BENEFITS**

Appropriations for state agencies in this act are sufficient for nonrepresented state employee health benefits for state agencies, including institutions of higher education and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan must not exceed $970 per eligible employee for fiscal year 2018. For fiscal year 2019, the monthly employer funding rate must not exceed $1,029 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or other changes to benefits consistent with RCW 41.05.065.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts must not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2018 and 2019, the subsidy must be up to $150 per month.

**IMPLEMENTING PROVISIONS**

NEW SECTION. **Sec.**  **FUND TRANSFERS**

(1) The 2005 transportation partnership projects or improvements and 2015 connecting Washington projects or improvements are listed in the OFM list titled 17GOV001 as developed December 14, 2016, which consists of a list of specific projects by fund source and amount over a sixteen-year period. Current fiscal biennium funding for each project is a line-item appropriation, while the outer year funding allocations represent a sixteen-year plan. The department is expected to use the flexibility provided in this section to assist in the delivery and completion of all transportation partnership account connecting Washington account projects on the OFM transportation documents referenced in this act. For the 2017-2019 project appropriations, unless otherwise provided in this act, the department may transfer funds between projects funded with transportation partnership account appropriations or connecting Washington account appropriations in order to manage project spending and efficiently deliver all projects in the respective program under the following conditions and limitations:

(a) Transfers may only be made within each specific fund source referenced on the respective project list;

(b) Transfers from a project may not be made as a result of the reduction of the scope of a project or be made to support increases in the scope of a project;

(c) Transfers from a project may be made if the funds appropriated to the project are in excess of the amount needed in the current fiscal biennium;

(d) Transfers may not occur for projects not identified on the applicable project list;

(e) Transfers may not be made while the legislature is in session;

(f) Each transfer between projects may only occur if the director of the office of financial management finds that any resulting change will not hinder the completion of the projects as approved by the legislature. Until the legislature reconvenes to consider the 2018 supplemental omnibus transportation appropriations act, any unexpended 2015-2017 appropriation balance as approved by the office of financial management, in consultation with the legislative staff of the house of representatives and senate transportation committees, may be considered when transferring funds between projects; and

(g) Transfers between projects may be made by the department of transportation without review under subsection (2) of this section provided that the transfer amount does not exceed five hundred thousand dollars. These transfers must be reported quarterly to the director of the office of financial management and the chairs of the house of representatives and senate transportation committees.

(2) Before transferring funds pursuant to this section, the department shall notify the office of financial management and the appropriate transportation committees of the legislature no fewer than ten business days before the transfer is to occur. The office of financial management shall work with legislative staff of the house of representatives and senate transportation committees to review the requested transfers in a timely manner. After ten business days, the transfers are deemed approved unless rejected by the director of the office of financial management.

(3) The department must submit annually as part of its budget submittal a report detailing all transfers made pursuant to this section.

NEW SECTION. **Sec.**  To the extent that any appropriation authorizes expenditures of state funds from the motor vehicle account, special category C account, Tacoma Narrows toll bridge account, transportation 2003 account (nickel account), transportation partnership account, transportation improvement account, Puget Sound capital construction account, multimodal transportation account, state route number 520 corridor account, or other transportation capital project account in the state treasury for a state transportation program that is specified to be funded with proceeds from the sale of bonds authorized in chapter 47.10 RCW, the legislature declares that any such expenditures made before the issue date of the applicable transportation bonds for that state transportation program are intended to be reimbursed from proceeds of those transportation bonds in a maximum amount equal to the amount of such appropriation.

NEW SECTION. **Sec.**  **BELATED CLAIMS**

The agencies and institutions of the state may expend moneys appropriated in this act, upon approval of the office of financial management, for the payment of supplies and services furnished to the agency or institution in prior fiscal biennia.

**MISCELLANEOUS 2017-2019 FISCAL BIENNIUM**

NEW SECTION. **Sec.**  **INFORMATION TECHNOLOGY PROJECTS**

(1) All appropriations for designated information technology projects in this act must be placed in unallotted status and must not be expended before the office of the chief information officer certifies that the project complies with state information technology and security policy and strategies. At a minimum, the office of the chief information officer must certify, if the chief information officer deems appropriate, that the project meets critical project success factors, aligns with statewide technology strategy and architecture, reuses existing technology services and solutions, minimizes custom development, complies with security and other policy requirements, and uses modularized, component-based architectures. The office of the chief information officer must evaluate the project at the appropriate stages. The office of the chief information officer must notify the office of financial management and the legislative fiscal committees each time it certifies a project is ready to proceed with the next stage. Appropriations may then be allotted for that certified phase only.

(2) The chief information officer may suspend or terminate a project at any time if the chief information officer determines that the project is not meeting or not expected to meet anticipated performance and technology outcomes. Once suspension or termination occurs, the agency shall not make additional expenditures on the project without approval of the chief information officer.

The following projects are subject to the conditions, limitations, and review provided in this section:

Department of Transportation – Labor System Replacement, and

Department of Transportation – Ferry Network System Support.

(3) The office of the chief information officer, in consultation with the office of financial management, may identify additional projects to be subject to this section other than those listed in subsection (2) of this section, including projects that are not separately identified within an agency budget.

NEW SECTION. **Sec.**  **FINANCIAL CONTRACTS**

The following agencies may enter into financial contracts, paid from any funds of an agency, appropriated or nonappropriated, for the purposes indicated and in not more than the principal amounts indicated, plus financing expenses and required reserves pursuant to chapter 39.94 RCW. Expenditures made by an agency for one of the indicated purposes before the issue date of the authorized financial contract and any certificates of participation therein are intended to be reimbursed from proceeds of the financial contract and any certificates of participation therein. The department of transportation may enter into a financing contract up to $14,600,000 plus financing expenses and required reserves using certificates of participation under chapter 39.94 RCW for energy efficiency upgrades at department-owned buildings.

**Sec.**  RCW 47.56.403 and 2015 1st sp.s. c 10 s 705 are each amended to read as follows:

(1) The department may provide for the establishment, construction, and operation of a pilot project of high occupancy toll lanes on state route 167 high occupancy vehicle lanes within King county. The department may issue, buy, and redeem bonds, and deposit and expend them; secure and remit financial and other assistance in the construction of high occupancy toll lanes, carry insurance, and handle any other matters pertaining to the high occupancy toll lane pilot project.

(2) Tolls for high occupancy toll lanes will be established as follows:

(a) The schedule of toll charges for high occupancy toll lanes must be established by the transportation commission and collected in a manner determined by the commission.

(b) Toll charges shall not be assessed on transit buses and vanpool vehicles owned or operated by any public agency.

(c) The department shall establish performance standards for the state route 167 high occupancy toll lane pilot project. The department must automatically adjust the toll charge, using dynamic tolling, to ensure that toll-paying single-occupant vehicle users are only permitted to enter the lane to the extent that average vehicle speeds in the lane remain above forty-five miles per hour at least ninety percent of the time during peak hours. The toll charge may vary in amount by time of day, level of traffic congestion within the highway facility, vehicle occupancy, or other criteria, as the commission may deem appropriate. The commission may also vary toll charges for single-occupant inherently low-emission vehicles such as those powered by electric batteries, natural gas, propane, or other clean burning fuels.

(d) The commission shall periodically review the toll charges to determine if the toll charges are effectively maintaining travel time, speed, and reliability on the highway facilities.

(3) The department shall monitor the state route 167 high occupancy toll lane pilot project and shall annually report to the transportation commission and the legislature on operations and findings. At a minimum, the department shall provide facility use data and review the impacts on:

(a) Freeway efficiency and safety;

(b) Effectiveness for transit;

(c) Person and vehicle movements by mode;

(d) Ability to finance improvements and transportation services through tolls; and

(e) The impacts on all highway users. The department shall analyze aggregate use data and conduct, as needed, separate surveys to assess usage of the facility in relation to geographic, socioeconomic, and demographic information within the corridor in order to ascertain actual and perceived questions of equitable use of the facility.

(4) The department shall modify the pilot project to address identified safety issues and mitigate negative impacts to high occupancy vehicle lane users.

(5) Authorization to impose high occupancy vehicle tolls for the state route 167 high occupancy toll pilot project expires if either of the following two conditions apply:

(a) If no contracts have been let by the department to begin construction of the toll facilities associated with this pilot project within four years of July 24, 2005; or

(b) If high occupancy vehicle tolls are being collected on June 30, ((~~2017~~)) 2019.

(6) The department of transportation shall adopt rules that allow automatic vehicle identification transponders used for electronic toll collection to be compatible with other electronic payment devices or transponders from the Washington state ferry system, other public transportation systems, or other toll collection systems to the extent that technology permits.

(7) The conversion of a single existing high occupancy vehicle lane to a high occupancy toll lane as proposed for SR-167 must be taken as the exception for this pilot project.

(8) A violation of the lane restrictions applicable to the high occupancy toll lanes established under this section is a traffic infraction.

(9) Procurement activity associated with this pilot project shall be open and competitive in accordance with chapter 39.29 RCW.

**Sec.**  RCW 43.19.642 and 2016 c 197 s 2 are each amended to read as follows:

(1) Effective June 1, 2006, for agencies complying with the ultra-low sulfur diesel mandate of the United States environmental protection agency for on-highway diesel fuel, agencies shall use biodiesel as an additive to ultra-low sulfur diesel for lubricity, provided that the use of a lubricity additive is warranted and that the use of biodiesel is comparable in performance and cost with other available lubricity additives. The amount of biodiesel added to the ultra-low sulfur diesel fuel shall be not less than two percent.

(2) Except as provided in subsection (5) of this section, effective June 1, 2009, state agencies are required to use a minimum of twenty percent biodiesel as compared to total volume of all diesel purchases made by the agencies for the operation of the agencies' diesel‑powered vessels, vehicles, and construction equipment.

(3) All state agencies using biodiesel fuel shall, beginning on July 1, 2016, file annual reports with the department of enterprise services documenting the use of the fuel and a description of how any problems encountered were resolved.

(4) By December 1, 2009, the department of enterprise services shall:

(a) Report to the legislature on the average true price differential for biodiesel by blend and location; and

(b) Examine alternative fuel procurement methods that work to address potential market barriers for in-state biodiesel producers and report these findings to the legislature.

(5) During the ((~~2011-2013, 2013-2015, and~~)) 2015-2017 and 2017-2019 fiscal biennia, the Washington state ferries is required to use a minimum of five percent biodiesel as compared to total volume of all diesel purchases made by the Washington state ferries for the operation of the Washington state ferries diesel-powered vessels, as long as the price of a B5 biodiesel blend does not exceed the price of conventional diesel fuel by five percent or more.

**Sec.**  RCW 46.68.325 and 2015 1st sp.s. c 10 s 703 are each amended to read as follows:

(1) The rural mobility grant program account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the grants provided under RCW 47.66.100.

(2) Beginning September 2011, by the last day of September, December, March, and June of each year, the state treasurer shall transfer from the multimodal transportation account to the rural mobility grant program account two million five hundred thousand dollars.

(3) During the 2013-2015 and 2015-2017 fiscal biennia, the legislature may transfer from the rural mobility grant program account to the multimodal transportation account such amounts as reflect the excess fund balance of the rural mobility grant program account.

(4) During the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the rural mobility grant program account to the multimodal transportation account.

**Sec.**  RCW 47.56.876 and 2015 1st sp.s. c 10 s 706 are each amended to read as follows:

A special account to be known as the state route number 520 civil penalties account is created in the state treasury. All state route number 520 bridge replacement and HOV program civil penalties generated from the nonpayment of tolls on the state route number 520 corridor must be deposited into the account, as provided under RCW 47.56.870(4)(b)(vii). Moneys in the account may be spent only after appropriation. Expenditures from the account may be used to fund any project within the state route number 520 bridge replacement and HOV program, including mitigation. During the 2013-2015 and 2015-2017 fiscal biennia, the legislature may transfer from the state route number 520 civil penalties account to the state route number 520 corridor account such amounts as reflect the excess fund balance of the state route number 520 civil penalties account. Funds transferred must be used solely for capital expenditures for the state route number 520 bridge replacement and HOV project. During the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the state route number 520 civil penalties account to the state route number 520 corridor account.

**Sec.**  RCW 46.68.030 and 2016 c 28 s 2 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) $23.60 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.

(4) During the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the state patrol highway account to the connecting Washington account.

**Sec.**  RCW 46.68.060 and 2015 3rd sp.s. c 43 s 602 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 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. During the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the highway safety account to the Puget Sound ferry operations account, the motor vehicle fund, the state patrol highway account, and the multimodal transportation account.

**Sec.**  RCW 46.68.280 and 2015 3rd sp.s. c 43 s 603 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) During the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the transportation 2003 account (nickel account) to the connecting Washington account.

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

**Sec.**  RCW 46.68.290 and 2015 3rd sp.s. c 43 s 604 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.

(12) During the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the transportation partnership account to the connecting Washington account.

**MISCELLANEOUS**

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.**  Except for section 707 of this act, 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.

NEW SECTION. **Sec.**  Section 707 of this act takes effect July 1, 2017.

**--- END ---**