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**SENATE BILL 5162**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Senators Liias, King, and Nobles; by request of Office of Financial Management

AN ACT Relating to transportation funding and appropriations; amending RCW 43.19.642, 46.20.745, 82.21.030, 47.66.120, 46.68.060, 46.68.290, 47.60.322, 46.68.395, 70A.65.240, 46.68.520, and 46.68.280; creating new sections; making appropriations and authorizing expenditures for capital improvements; and declaring an emergency.

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

**2023-2025 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, 2025.

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

(a) "Fiscal year 2024" or "FY 2024" means the fiscal year ending June 30, 2024.

(b) "Fiscal year 2025" or "FY 2025" means the fiscal year ending June 30, 2025.

(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.

**GENERAL GOVERNMENT AGENCIES—OPERATING**

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

Motor Vehicle Account—State Appropriation $593,000

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

Grade Crossing Protective Account—State

Appropriation $504,000

Pilotage Account—State $150,000

TOTAL APPROPRIATION $654,000

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

Motor Vehicle Account—State Appropriation $222,000

Puget Sound Ferry Operations Account—State

Appropriation $133,000

TOTAL APPROPRIATION $355,000

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

Motor Vehicle Account—State Appropriation $1,186,000

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

Motor Vehicle Account—State Appropriation $1,482,000

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

Motor Vehicle Account—State Appropriation $703,000

NEW SECTION. **Sec.**  **FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES**

Move Ahead WA Flexible Account—State Appropriation $2,000,000

The appropriation in this section is subject to the following conditions and limitations: The entire appropriation in this section is provided solely for increasing the number of certified women and minority-owned contractors in the transportation sector.

NEW SECTION. **Sec.**  **FOR THE BOARD OF PILOTAGE COMMISSIONERS**

Pilotage Account—State Appropriation $3,589,000

NEW SECTION. **Sec.**  **FOR THE OFFICE OF THE GOVERNOR**

State Patrol Highway Account—State Appropriation $750,000

Motor Vehicle Account—State Appropriation $460,000

TOTAL APPROPRIATION $1,210,000

**TRANSPORTATION AGENCIES—OPERATING**

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

Highway Safety Account—State Appropriation $5,249,000

Highway Safety Account—Federal Appropriation $27,819,000

Highway Safety Account—Private/Local Appropriation $60,000

Cooper Jones Active Transportation Safety Account—

State Appropriation $400,000

School Zone Safety Account—State Appropriation $850,000

TOTAL APPROPRIATION $34,378,000

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

(1) $400,000 of the Cooper Jones active transportation safety account—state appropriation is provided solely for grant projects or programs for bicycle, pedestrian, and nonmotorist safety improvement administered by the commission in consultation with the Cooper Jones active transportation safety council.

(2) $485,000 of the highway safety account—state appropriation and $50,000 of the highway safety account—federal appropriation are provided solely to develop a statewide public awareness campaign to inform and educate Washington citizens about the slow down and move over law, RCW 46.61.212. The educational campaign must include the use of public service announcements and written and digital informative and educational materials distributed by reasonable means. The Washington traffic safety commission and the department of licensing, working independently or in collaboration or both, shall develop the public awareness campaign using any available resources, as well as federal and other grant funds that may, from time to time, become available for this purpose.

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

Rural Arterial Trust Account—State Appropriation $1,301,000

Motor Vehicle Account—State Appropriation $3,656,000

County Arterial Preservation Account—State

Appropriation $1,926,000

TOTAL APPROPRIATION $6,883,000

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

Transportation Improvement Account—State

Appropriation $4,859,000

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

Motor Vehicle Account—State Appropriation $1,682,000

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

Motor Vehicle Account—State Appropriation $3,253,000

Multimodal Transportation Account—State

Appropriation $565,000

TOTAL APPROPRIATION $3,818,000

The appropriations in this section are subject to the following conditions and limitations: $500,000 of the multimodal transportation account—state appropriation is provided solely for the commission to update the Washington state transportation plan.

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

Freight Mobility Investment Account—State

Appropriation $869,000

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

Interstate 405 and State Route Number 167 Express

Toll Lanes Account—State Appropriation $10,000

State Patrol Highway Account—State Appropriation $671,107,000

State Patrol Highway Account—Federal Appropriation $20,458,000

State Patrol Highway Account—Private/Local

Appropriation $4,607,000

Highway Safety Account—State Appropriation $1,452,000

Ignition Interlock Device Revolving Account—State

Appropriation $1,976,000

Multimodal Transportation Account—State

Appropriation $320,000

TOTAL APPROPRIATION $699,930,000

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) By December 1st of each year during the 2023-2025 biennium**,** the Washington state patrol must report to the governor and the house and senate transportation committees on the status of recruitment and retention activities as follows:

(a) A summary of recruitment and retention strategies;

(b) The number of transportation funded staff vacancies by major category;

(c) The number of applicants for each of the positions by these categories;

(d) The composition of workforce;

(e) Other relevant outcome measures with comparative information with recent comparable months in prior years; and

(f) Activities related to the implementation of the agency's workforce diversity plan, including short-term and long-term, specific comprehensive outreach and recruitment strategies to increase populations underrepresented within both commissioned and noncommissioned employee groups.

(3) $510,000 of the ignition interlock device revolving 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.

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

Department of Licensing Technology Improvement and

Data Management Account—State Appropriation $951,000

Driver Licensing Technology Support Account—State

Appropriation $1,743,000

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

Motorcycle Safety Education Account—State

Appropriation $5,324,000

Limited Fish and Wildlife Account—State

Appropriation $771,000

Highway Safety Account—State Appropriation $286,088,000

Highway Safety Account—Federal Appropriation $1,294,000

Motor Vehicle Account—State Appropriation $101,460,000

Motor Vehicle Account—Private/Local Appropriation $1,336,000

Ignition Interlock Device Revolving Account—State

Appropriation $6,417,000

Department of Licensing Services Account—State

Appropriation $9,183,000

License Plate Technology Account—State Appropriation

$4,259,000

Abandoned Recreational Vehicle Account—State

Appropriation $3,094,000

Limousine Carriers Account—State Appropriation $126,000

Electric Vehicle Account—State Appropriation $445,000

Agency Financial Transaction Account—State

Appropriation $18,894,000

Move Ahead WA Flexible Account—State Appropriation $5,920,000

TOTAL APPROPRIATION $447,339,000

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

(1) $1,100,000 of the highway safety account—state appropriation and $1,100,000 of the move ahead WA flexible account—state appropriation are provided solely for the department to provide an interagency transfer to the department of social and health services, children's administration division for the purpose of providing driver's license support to a larger population of foster youth than is already served within existing resources. Support services include reimbursement of driver's license issuance costs, fees for driver training education, and motor vehicle liability insurance costs.

(2) $20,000 of the motorcycle safety education account—state appropriation, $2,000 of the limited fish and wildlife account—state appropriation, $1,228,000 of the highway safety account—state appropriation, $400,000 of the motor vehicle account—state appropriation, $18,000 of the ignition interlock device revolving account—state appropriation, and $18,000 of the department of licensing services account—state appropriation are provided solely for the department to redesign and improve its online services and website, and are subject to the conditions, limitations, and review requirements of section 701 of this act.

(3)(a) $1,053,000 of the highway safety account—federal appropriation and $1,053,000 of the highway safety account—state appropriation are provided solely for implementation of Z-0052.2/23 (drug and alcohol clearinghouse). If chapter . . ., Laws of 2023 (drug and alcohol clearinghouse) is not enacted by June 30, 2023, the amount provided in this subsection lapses.

(b) To assist in funding this project, the department must apply to access federal funding for the total project cost.

(c) If the agency receives federal funds, an amount of the highway safety account—state appropriation equal to the amount of federal funds received must be placed in unallotted status.

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

State Route Number 520 Corridor Account—State

Appropriation $58,910,000

State Route Number 520 Civil Penalties Account—State

Appropriation $4,178,000

Tacoma Narrows Toll Bridge Account—State

Appropriation $30,773,000

Alaskan Way Viaduct Replacement Project Account—

State Appropriation $20,750,000

Interstate 405 and State Route Number 167 Express

Toll Lanes Account—State Appropriation $23,781,000

TOTAL APPROPRIATION $138,392,000

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 $12,484,000 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 subsection, 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) As long as the facility is tolled, the department must provide annual 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; and

(b) 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.

(3) $314,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation, $734,000 of the state route number 520 corridor account—state appropriation, $315,000 of the Tacoma Narrows toll bridge account—state appropriation, and $413,000 of the Alaskan Way viaduct replacement project account—state appropriation are provided solely for the reappropriation of unspent funds on the new tolling back office system from the 2021-2023 biennium.

(5) The department shall make detailed annual reports to the transportation committees of the legislature and the public on the department's website 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;

(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; and

(e) A summary of toll revenue by facility on all operating toll facilities and express toll lane systems, and an itemized depiction of the use of that revenue.

(6) $2,584,000 of the state route number 520 corridor account—state appropriation and $432,000 of the Tacoma Narrows toll bridge account—state appropriation are provided solely for the increased costs of insurance for the state route number 520 floating bridge and the Tacoma Narrows bridge, respectively.

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

Transportation Partnership Account—State

Appropriation $1,494,000

Motor Vehicle Account—State Appropriation $126,501,000

Puget Sound Ferry Operations Account—State

Appropriation $307,000

Multimodal Transportation Account—State

Appropriation $2,986,000

Transportation 2003 Account (Nickel Account)—State

Appropriation $1,488,000

TOTAL APPROPRIATION $132,776,000

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

Motor Vehicle Account—State Appropriation $42,273,000

Move Ahead WA Account—State Appropriation $3,400,000

State Route Number 520 Corridor Account—State

Appropriation $34,000

TOTAL APPROPRIATION $45,707,000

The appropriations in this section are subject to the following conditions and limitations: $3,400,000 of the move ahead WA account—state appropriation is provided solely for the department to improve its ability to keep facility assets in a state of good repair through maintenance and operations.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF TRANSPORTATION—TRANSPORTATION EQUIPMENT FUND—PROGRAM E**

Move Ahead WA Account—State Appropriation $37,500,000

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

(1) $29,000,000 of the move ahead WA account—state appropriation is provided solely for the department's costs related to replacing obsolete transportation equipment.

(2) $8,500,000 of the move ahead WA account—state appropriation is provided solely for the department's costs related to replacing fuel sites.

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

Aeronautics Account—State Appropriation $10,217,000

Aeronautics Account—Federal Appropriation $3,650,000

Aeronautics Account—Private/Local Appropriation $60,000

TOTAL APPROPRIATION $13,927,000

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

Motor Vehicle Account—State Appropriation $68,599,000

Motor Vehicle Account—Federal Appropriation $500,000

Multimodal Transportation Account—State

Appropriation $758,000

Natural Climate Solutions Account—State

Appropriation $93,000

TOTAL APPROPRIATION $69,950,000

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

(1) During the 2023-2025 biennium, if the department takes possession of the property situated in the city of Edmonds for which a purchase agreement was executed between Unocal and the department in 2005 (Tax Parcel Number 262703-2-003-0009), and if the department confirms that the property is still no longer needed for transportation purposes, the department shall provide the city of Edmonds with the right of first purchase at fair market value in accordance with RCW 47.12.063(3) for the city's intended use of the property to rehabilitate near-shore habitat for salmon and related species.

(2) $410,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter 217, Laws of 2021 (noxious weeds).

(3) The department shall offer to sell the northern parcel of site 14 on the Puget Sound Gateway Program SR 509 Completion Project Surplus Property list, located immediately south of S. 216th Street and adjacent to the Barnes Creek Nature Trail in Des Moines, to Seattle Goodwill Industries, a nonprofit organization with tax ID 91-05688708, located at 700 Dearborn Place S., Seattle, WA 98144, in accordance with RCW 47.12.063 at fair market value because the legislature finds it in the public interest to do so for the public benefit that will result from Goodwill's redevelopment of the property it owns at Rainier Ave. South and South Dearborn Street to increase the supply of affordable housing.

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

Motor Vehicle Account—State Appropriation $741,000

Electric Vehicle Account—State Appropriation $8,425,000

Multimodal Transportation Account—State

Appropriation $4,400,000

Multimodal Transportation Account—Federal

Appropriation $25,000,000

TOTAL APPROPRIATION $38,566,000

The appropriations in this section are subject to the following conditions and limitations: $6,425,000 of the electric vehicle account—state appropriation is provided solely for the clean alternative fuel vehicle charging and refueling infrastructure program in chapter 287, Laws of 2019 (advancing green transportation adoption).

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

Motor Vehicle Account—State Appropriation $588,538,000

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

Move Ahead WA Account—State Appropriation $80,200,000

State Route Number 520 Corridor Account—State

Appropriation $4,723,000

Tacoma Narrows Toll Bridge Account—State

Appropriation $1,585,000

Alaskan Way Viaduct Replacement Project Account—

State Appropriation $8,752,000

Interstate 405 and State Route Number 167 Express

Toll Lanes Account—State Appropriation $2,624,000

TOTAL APPROPRIATION $693,422,000

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

(1) $7,844,000 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) $5,000,000 of the motor vehicle account—state appropriation is provided solely for a contingency pool for snow and ice removal. The department must notify the office of financial management and the transportation committees of the legislature when they have spent the base budget for snow and ice removal and will begin using the contingency pool funding.

(3) $10,040,000 of the motor vehicle account—state appropriation is provided solely for the department to address safety improvements and debris clean up on department-owned rights-of-way from encampments of people living on such rights-of-way. Of the amounts provided in this subsection, $500,000 is provided for the department to contract with the Washington state patrol for support of the department's activities as needed.

(a) Of this amount, a minimum of $1,025,000 is to be used for a continued partnership program between the department and Seattle.

(b) Of this amount, a minimum of $1,015,000 is to be used for a continued partnership program between the department and the city of Tacoma.

(c) Beginning November 1, 2023, and semiannually thereafter, the Washington state patrol and the department of transportation must jointly submit a report to the governor and the transportation committees of the legislature on the status of this section, including:

(i) A summary of the activities related to addressing encampments, including information on arrangements with local governments or other entities related to these activities;

(ii) A description of the planned activities in the ensuing two quarters to further address the emergency hazards and risks along state highway rights-of-way; and

(iii) Recommendations for executive branch or legislative action to achieve the desired outcome of reduced emergency hazards and risks along state highway rights-of-way.

(4) $115,000 of the state route number 520 corridor account—state appropriation is provided solely for an interagency maintenance agreement with local jurisdictions to address the ongoing facility and landscape maintenance of the three state route number 520 eastside lids and surrounding areas at the Evergreen Point Road, 84th Avenue NE, and 92nd Avenue NE. The agreement shall include a defined amount of state funding contribution for landscape maintenance on the three lids not to exceed state contributions to other jurisdictions for similar shared facilities.

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

Motor Vehicle Account—State Appropriation $89,799,000

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

Motor Vehicle Account—Private/Local Appropriation $294,000

Move Ahead WA Account—State Appropriation $3,700,000

Multimodal Transportation Account—State

Appropriation $5,000,000

State Route Number 520 Corridor Account—State

Appropriation $175,000

Alaskan Way Viaduct Replacement Project Account—

State Appropriation $1,080,000

TOTAL APPROPRIATION $102,098,000

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

(1) $6,000,000 of the motor vehicle account—state appropriation is provided solely 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)(a) During the 2023-2025 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: (i) Auto transportation company vehicles regulated under chapter 81.68 RCW; (ii) 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; (iii) private nonprofit transportation provider vehicles regulated under chapter 81.66 RCW; and (iv) 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.

(b) The department shall expand the high occupancy vehicle lane access pilot program to vehicles that deliver or collect blood, tissue, or blood components for a blood-collecting or distributing establishment regulated under chapter 70.335 RCW. Under the pilot program, when the department reserves a portion of a highway based on the number of passengers in a vehicle, blood-collecting or distributing establishment vehicles that are clearly and identifiably marked as such on all sides of the vehicle are considered emergency vehicles and must be authorized to use the reserved portion of the highway.

(c) The department shall expand the high occupancy vehicle lane access pilot program to organ transport vehicles transporting a time urgent organ for an organ procurement organization as defined in RCW 68.64.010. Under the pilot program, when the department reserves a portion of a highway based on the number of passengers in a vehicle, organ transport vehicles that are clearly and identifiably marked as such on all sides of the vehicle are considered emergency vehicles and must be authorized to use the reserved portion of the highway.

(d) The department shall expand the high occupancy vehicle lane access pilot program to private, for hire vehicles regulated under chapter 81.72 RCW that have been specially manufactured, designed, or modified for the transportation of a person who has a mobility disability and uses a wheelchair or other assistive device. Under the pilot program, when the department reserves a portion of a highway based on the number of passengers in a vehicle, wheelchair-accessible taxicabs that are clearly and identifiably marked as such on all sides of the vehicle are considered public transportation vehicles and must be authorized to use the reserved portion of the highway.

(e) The department shall expand the high occupancy vehicle lane access pilot program to for hire nonemergency medical transportation vehicles, when in use for medical purposes, as described in section 208, chapter 333, Laws of 2021. Under the pilot program, when the department reserves a portion of a highway based on the number of passengers in a vehicle, nonemergency medical transportation vehicles that meet the requirements identified in section 208, chapter 333, Laws of 2021 must be authorized to use the reserved portion of the highway.

(f) Nothing in this subsection (2) is intended to exempt these vehicles from paying tolls when they do not meet the occupancy requirements established by the department for express toll lanes.

(3) The appropriations in this section assume implementation of additional cost recovery mechanisms to recoup at least $100,000 in credit card and other financial transaction costs related to the collection of fees imposed under RCW 46.44.0941 for driver and vehicle fee transactions beginning July 1, 2023. The department may recover transaction fees incurred through credit card transactions. The department shall notify the office of the state treasurer of these amounts and the state treasurer must deposit these revenues in the agency financial transaction account created in RCW 46.01.385 on a quarterly basis.

(4) $5,000,000 of the multimodal transportation account—state appropriation is provided solely for the department to address emergent issues related to safety for pedestrians and bicyclists. Funds may only be spent after approval from the office of financial management.

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

Motor Vehicle Account—State Appropriation $66,045,000

Motor Vehicle Account—Federal Appropriation $780,000

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

Move Ahead WA Flexible Account—State Appropriation $6,400,000

Puget Sound Ferry Operations Account—State

Appropriation $517,000

Multimodal Transportation Account—State

Appropriation $22,323,000

TOTAL APPROPRIATION $96,565,000

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

(1) $2,000,000 of the multimodal transportation account—state appropriation and $2,400,000 of the move ahead WA flexible account—state appropriation are provided solely for the preapprenticeship support services (PASS) program, which aims to increase diversity in the highway construction workforce and prepare individuals interested in entering the highway construction workforce.

(2) $3,000,000 of the move ahead WA flexible account—state appropriation is provided solely for expansion of the PASS program to support apprenticeships and workforce development in the maritime industry through preapprenticeship training for inland waterways trades and support services to obtain necessary documents and coast guard certification.

(3) $21,195,000 of the motor vehicle account—state appropriation and $21,194,000 of the multimodal account—state appropriation are provided solely for the department to upgrade the transportation reporting and accounting information system to the current cloud version of the software, and is subject to the conditions, limitations, and review requirements of section 701 of this act.

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

Motor Vehicle Account—State Appropriation $35,179,000

Motor Vehicle Account—Federal Appropriation $30,785,000

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

Move Ahead WA Flexible Account—State Appropriation $11,922,000

Multimodal Transportation Account—State

Appropriation $3,108,000

Multimodal Transportation Account—Federal

Appropriation $2,809,000

Multimodal Transportation Account—Private/Local

Appropriation $100,000

Climate Commitment Account—State Appropriation $500,000

TOTAL APPROPRIATION $84,803,000

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

(1) $1,750,000 of the multimodal transportation account—state appropriation is provided solely for the department to partner with the department of commerce and regional transportation planning organizations in implementing vehicle miles traveled targets and supporting actions. The department and the department of commerce shall partner with local jurisdictions, regional transportation planning organizations, and other stakeholders to determine the level of vehicle miles of travel reduction needed to meet state goals for greenhouse gas emissions above what will already be achieved by vehicle electrification. Vehicle miles traveled reductions targets and actions to meet those targets will be set by region for those regions who opt to pilot the new process. The department shall provide technical assistance to local partners in developing targets, conducting modeling and analysis, identifying appropriate strategies to meet targets, and conducting outreach. The department will build on the recommendations developed per the vehicle miles traveled budget proviso in section 219(3), chapter 186, Laws of 2022. As part of target setting, important factors that shall be considered include land use patterns, safety, and vulnerable populations. The department shall provide an interim report by June 30, 2024, and a final report by June 30, 2025.

(2)(a) $180,000 of the multimodal transportation account—state appropriation is provided solely for Thurston regional planning council (TRPC) to continue the study examining options for multimodal high capacity transportation (HCT) to serve travelers on the I-5 corridor between central Thurston county (Olympia area) and Pierce county.

(b) The study will include an assessment of travelsheds and ridership potential and identify and provide an evaluation of options to enhance connectivity and accessibility for the greater south Puget Sound region with an emphasis on linking to planned or existing commuter or regional light rail. The study must account for previous and ongoing efforts by transit agencies and the department. The study will emphasize collaboration with a diverse community of interests including, but not limited to, transit, business, public agencies, tribes, and providers and users of transportation who because of age, income, or ability may face barriers and challenges.

(c) The study is due to the governor and transportation committees of the legislature by September 1, 2024.

(3) $400,000 of the multimodal transportation account—state appropriation is provided solely for the city of Seattle's office of planning and community development to support an equitable development initiative to reconnect the South Park neighborhood, currently divided by state route number 99.

(a) The support work must include:

(i) A public engagement and visioning process led by a neighborhood-based, community organization; and

(ii) A feasibility study of decommissioning state route number 99 in the South Park neighborhood to include, but not be limited to, traffic studies, environmental impact analysis, and development of alternatives, including the transfer of the land to a neighborhood-led community land trust.

(b) The support work must be conducted in coordination and partnership with neighborhood residents, neighborhood industrial and commercial representatives, the state department of transportation, and other entities and neighborhoods potentially impacted by changes to the operation of state route number 99.

(c) The city must provide a report on the plan that includes recommendations to the Seattle city council, state department of transportation, the office of equity, and the transportation committees of the legislature by January 1, 2025.

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

Aeronautics Account—State Appropriation $1,000

Transportation Partnership Account—State

Appropriation $25,000

Motor Vehicle Account—State Appropriation $117,374,000

Puget Sound Ferry Operations Account—State

Appropriation $244,000

State Route Number 520 Corridor Account—State

Appropriation $4,000

Connecting Washington Account—State Appropriation $203,000

Multimodal Transportation Account—State

Appropriation $6,194,000

Tacoma Narrows Toll Bridge Account—State

Appropriation $2,000

Interstate 405 and State Route Number 167 Express

Toll Lanes Account—State Appropriation $6,000

TOTAL APPROPRIATION $124,053,000

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

(1) Consistent with existing protocol and practices, for any negotiated settlement of a claim against the state for the department that exceeds $5,000,000, the department, in conjunction with the attorney general and the department of enterprise services, shall notify the director of the office of financial management and the transportation committees of the legislature.

(2) Beginning October 1, 2023, and semiannually thereafter, the department, in conjunction with the attorney general and the department of enterprise services, shall provide a report with judgments and settlements dealing with the Washington state ferry system to the director of the office of financial management and the transportation committees of the legislature. The report must include information on: (a) The number of claims and settlements by type; (b) the average claim and settlement by type; (c) defense costs associated with those claims and settlements; and (d) information on the impacts of moving legal costs associated with the Washington state ferry system into the statewide self-insurance pool.

(3) Beginning October 1, 2023, and semiannually thereafter, the department, in conjunction with the attorney general and the department of enterprise services, shall provide a report with judgments and settlements dealing with the nonferry operations of the department to the director of the office of financial management and the transportation committees of the legislature. The report must include information on: (a) The number of claims and settlements by type; (b) the average claim and settlement by type; and (c) defense costs associated with those claims and settlements.

(4) When the department identifies significant legal issues that have potential transportation budget implications, the department must initiate a briefing for appropriate legislative members or staff through the office of the attorney general and its legislative briefing protocol.

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

Carbon Emissions Reduction Account—State

Appropriation $98,875,000

Climate Transit Programs Account—State Appropriation $405,020,000

State Vehicle Parking Account—State Appropriation $784,000

Regional Mobility Grant Program Account—State

Appropriation $113,300,000

Rural Mobility Grant Program Account—State

Appropriation $32,774,000

Multimodal Transportation Account—State

Appropriation $123,143,000

Multimodal Transportation Account—Federal

Appropriation $3,574,000

Multimodal Transportation Account—Local

Appropriation $100,000

TOTAL APPROPRIATION $777,570,000

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

(1) $64,354,000 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) $14,801,000 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) $49,553,000 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 2019 as reported in the "Summary of Public Transportation - 2019" published by the department of transportation. No transit agency may receive more than 30 percent of these distributions.

(2) $32,774,000 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) $11,262,000 of the multimodal transportation account—state appropriation is provided solely for a public transit rideshare grant program for: (a) Public transit agencies to add or replace rideshare vehicles; and (b) incentives and outreach to increase rideshare use. The grant program for public transit agencies may 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.

(4) $35,622,000 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 2023-1: Proposed Transportation Project List as developed December 14, 2022, 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 2023-1: Proposed Transportation Project List as developed December 14, 2022, 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 1, 2023, and December 1, 2024 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 25 percent of the amount appropriated in this subsection unless all other funding is awarded. Additionally, when allocating funding for the 2023-2025 biennium, no more than 30 percent of the total grant program may directly benefit or support one grantee unless all other funding is awarded. 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 2023-2025 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) $6,195,000 of the multimodal transportation account—state appropriation and $784,000 of the state vehicle parking account—state appropriation are provided solely for commute trip reduction (CTR) grants and activities. Of this amount:

(a) $30,000 of the state vehicle parking account—state appropriation is provided solely for the STAR pass program for state employees residing in Mason and Grays Harbor counties. Use of the pass is for public transportation between Mason county and Thurston county, and Grays Harbor and Thurston county. The pass may also be used within Grays Harbor county. The STAR pass commute trip reduction program is open to any state employee who expresses intent to commute to his or her assigned state worksite using a public transit system currently participating in the STAR pass program.

(b) $495,000 of the multimodal transportation account—state appropriation is provided solely for continuation of the first mile/last mile connections grant program. Eligible grant recipients include cities, businesses, nonprofits, and transportation network companies with first mile/last mile solution proposals. Transit agencies are not eligible. The commute trip reduction board shall develop grant parameters, evaluation criteria, and evaluate grant proposals. The commute trip reduction board shall provide the transportation committees of the legislature a report on the effectiveness of this grant program and best practices for continuing the program.

(8) Except as provided otherwise in this subsection, $11,914,000 of the multimodal transportation account—state appropriation is provided solely for connecting Washington transit projects identified in OFM Transportation Document 2023-1: Proposed Transportation Project List as developed December 14, 2022. Entities identified to receive funding in the OFM document referenced in this subsection shall receive the amounts specified in the time frame specified in that OFM document. If an entity has already completed a project in the OFM document referenced in this subsection before the time frame identified, the entity may substitute another transit project or projects that cost a similar or lesser amount.

(9) The department shall not require more than a 10 percent match from nonprofit transportation providers for state grants.

(10) $16,407,000 of the multimodal transportation account—state appropriation and $36,580,000 climate transit programs account—state appropriation is provided solely for the green transportation capital grant program established in chapter 287, Laws of 2019 (advancing green transportation adoption). Funding can be provided for planning activities associated with the development of transition plans and conversion of infrastructure and fleets to electric and other fuel alternatives.

(11) $83,250,000 of the carbon emissions reduction account—state appropriation is provided solely for the department, in consultation with the department of commerce and the department of ecology, to develop a medium and heavy duty vehicle decarbonization incentive grant program. Funds shall be used to provide incentives to transition to zero-emissions medium and heavy duty vehicles, as well as funding for charging or fueling infrastructure. Eligible recipients include, but are not limited to, independent medium and heavy duty vehicle operators, ports, cities, counties, state agencies, or public transportation providers. The department shall engage stakeholders, and consult with the environmental justice council and the interagency electric vehicle coordinating council when developing the program. The program must include a requirement for greenhouse gas emissions reduction outcome measurements and must be consistent with the interagency electric vehicle coordinating council transportation electrification strategy recommendations on medium and heavy duty vehicles to the extent such recommendations are available. The department may use up to 10 percent of the appropriation to develop, implement, administer, and conduct public outreach and program evaluation.

(12) $15,625,000 of the carbon emissions reduction account—state appropriation is provided solely for the department to develop an innovative transportation carbon emissions reduction demonstration grant program. Eligible grant recipients include, but are not limited to, cities, counties, ports, and public transportation providers. The department shall engage stakeholders, and consult with the environmental justice council and the interagency electric vehicle coordinating council when developing the program. The program must include a requirement for greenhouse gas emissions reduction outcome measurements and must be consistent with the interagency electric vehicle coordinating council transportation electrification strategy to the extent possible. The department may use up to 10 percent of the appropriation to develop, implement, administer, and conduct public outreach and program evaluation.

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

Puget Sound Ferry Operations Account—State

Appropriation $706,064,000

Puget Sound Ferry Operations Account—Federal

Appropriation $54,854,000

Puget Sound Ferry Operations Account—Private/Local

Appropriation $121,000

TOTAL APPROPRIATION $761,039,000

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 2023-2025 supplemental and 2025-2027 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. The data in the tables in the report must be supplied in a digital file format.

(2) For the 2023-2025 fiscal biennium, the department may enter into a distributor controlled fuel hedging program and other methods of hedging approved by the fuel hedging committee, which must include a representative of the department of enterprise services.

(3) $29,891,000 of the Puget Sound ferry operations account—federal appropriation and $86,947,000 of the Puget Sound ferry operations account—state appropriation are for auto ferry vessel operating fuel in the 2023-2025 fiscal biennium, which reflect cost savings from a reduced biodiesel fuel requirement and, therefore, are contingent upon the enactment of section 702 of this act. The amount provided in this subsection represents the fuel budget for the purposes of calculating any ferry fare fuel surcharge. The department shall review future use of alternative fuels and dual fuel configurations, including hydrogen.

(4) $500,000 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.

(5) The department must provide updated staffing cost estimates for fiscal years 2024 and 2025 with its annual budget submittal and updated estimates by January 1, 2025.

(6) The department must work to increase its outreach and recruitment of populations underrepresented in maritime careers and continue working to expand apprenticeship and internship programs, with an emphasis on programs that are shown to improve recruitment for positions with the state ferry system.

(7) The department must request reimbursement from the federal transit administration for the maximum amount of ferry operating expenses eligible for reimbursement under federal law.

(8)(a) $21,091,000 of the Puget Sound ferry operations account—state appropriation is for Washington state ferries to:

(i) Provide scholarships, coursework fees, and stipends for candidates to become licensed deck officers (mates);

(ii) Improve the process for unlicensed candidates who have achieved able-bodied sailor (AB) status to earn their mate's license;

(iii) Annually hire, orient, train, and develop entry level engine room staff at the wiper classification with the intention of successfully promoting to oiler classification;

(iv) Increase training and development opportunities for employees; and

(v) Expand existing Washington state ferries eagle harbor apprenticeship program from two to eight apprentices.

(9) By December 1, 2024, the department must report on the status of efforts to increase training and development opportunities for employees. The report must include a description of the new training and career advancement programs for able-bodied sailors, mates, and engineers; the numbers of employees participating in each program; the number of employees completing each program; the number of open positions that the program is designed to fill; and the anticipated number of employee promotions as a result of program completion. The department must provide the report to the office of financial management and the transportation committees of the legislature.

(10) $93,000 of the Puget Sound ferry operations account—state appropriation is provided solely for Washington state ferries to partner with local community colleges and universities to secure housing for workforce training sessions and to pay in advance for the costs of transportation worker identification credentials for incoming ferry system employees and trainees.

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

Carbon Emissions Reduction Account—State

Appropriation $2,250,000

Motor Vehicle Fund—State Appropriation $5,000,000

Multimodal Transportation Account—State

Appropriation $86,296,000

Multimodal Transportation Account—Private/Local

Appropriation $46,000

TOTAL APPROPRIATION $93,592,000

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

(1) The department is directed to continue to pursue efforts to reduce costs, increase ridership, and review Amtrak Cascades fares and fare schedules. Within 30 days of each annual cost/revenue reconciliation under the Amtrak service contract, the department shall report annual credits to the office of financial management and the legislative transportation committees. Annual credits from Amtrak to the department including, but not limited to, credits due to higher ridership, reduced level of service, and fare or fare schedule adjustments, must be used to offset corresponding amounts of the multimodal transportation account—state appropriation, which must be placed in reserve.

(2) The department shall consider applying for federal grant opportunities that support the development of the Amtrak Cascades service. Grant submittals must align with the department's federally required service development plan and state rail plans and partnership agreements with Amtrak as the service provider and BNSF Railway as the host railroad.

(3)(a) $5,000,000 of the motor vehicle account—state appropriation is provided solely for the department to conduct an analysis of highway, road, and freight rail transportation needs and options to accommodate the movement of freight and goods that currently move by barge through the lower Snake River dams. The study should generate volume estimates and evaluate scenarios for changes in infrastructure and operations that would be necessary to address those additional volumes. The assessment will include quantitative analysis based on available data as well as qualitative input gathered from tribal governments, local governments, freight interests, and other key stakeholders. The analysis must include the following:

(i) Existing volumes and traffic patterns;

(ii) Potential changes in volumes and traffic patterns immediately following the loss of freight movement by barge and over the following 20 years;

(iii) Identification of potential infrastructure and operational improvements to existing highway, road and rail, including additional access to facilities, needed to accommodate the higher freight volumes;

(iv) Identification of rail line development options;

(v) Evaluation of dam removal impacts on existing bridges that cross the Snake River; and

(vi) Cost estimates for development and implementation of identified needs and options including planning, design, and construction.

(b) The department shall provide a final report to the governor and the transportation committees of the legislature by December 31, 2024.

(4) $2,300,000 of the multimodal transportation account—state appropriation is provided solely for the department to implement recommendations from the truck parking action plan and address truck parking shortages. Of this amount:

(a) $300,000 is provided solely to facilitate a truck parking implementation workgroup to include department, legislative, community, and port and freight mobility industry leaders.

(b) $500,000 is provided solely to identify Washington state department of transportation parcels that could be developed or adapted for truck parking. The department shall work with the department's real estate division and engage the truck parking implementation workgroup and ports to develop criteria and location analysis. Recommendations on Washington state department of transportation parcels that could be developed or adapted for truck parking are due to the governor and transportation committees of the legislature June 30, 2024.

(c) $1,000,000 is provided solely to identify potential truck parking opportunities in privately-owned locations, which may include large retail, industrial, or office buildings. In consultation and coordination with program K as well as the truck parking implementation workgroup, the department shall consider incentives to support increased truck parking, prioritizing truck parking agreements that include alternative and zero emissions fueling infrastructure for medium and heavy duty trucks and consideration of a state-supported shuttle to provide access between parking and facilities such as food, restrooms, and showers. Recommendations for a program shall be provided to the governor and transportation committees of the legislature June 30, 2024.

(d) $500,000 is provided solely to conduct a feasibility study to determine opportunity to convert a location adjacent to I-90 to a trucking parking facility. The feasibility study must include analysis of including infrastructure to provide alternative and zero emissions fueling opportunities. A report is due to the governor and transportation committees of the legislature June 30, 2024.

(5) $50,000 of the multimodal transportation account—state appropriation is provided solely to pursue discontinuance, abandonment, and railbanking as defined by the surface transportation board requirements of the Hooper branch of the PCC rail system from Hooper at Sub MP 18.49 (north-west of State Street) to where it terminates for future railbanking by a trail sponsor for the Chipman Trail and the P and L branches of the PCC rail system from P and L MP 75.63 (near Kitzmiller Rd.) to MP 77.32 (near Johnson Road) located within the Pullman city limits for department of transportation use for filing fees, external subject matter support, and staff time.

(6) The Washington state department of transportation shall continue to pursue restoring Amtrak Cascades service to pre-COVID service levels, and to the service levels committed to through the department's obligation of funding from the American recovery and reinvestment act. A status report must be provided to the transportation committees of the legislature and the office of financial management by September 1, 2023.

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

Motor Vehicle Account—State Appropriation $35,647,000

Motor Vehicle Account—Federal Appropriation $27,567,000

Multiuse Roadway Safety Account—State Appropriation $450,000

Multimodal Transportation Account—State

Appropriation $500,000

TOTAL APPROPRIATION $64,164,000

The appropriations in this section are subject to the following conditions and limitations: The entire multiuse roadway safety account—state appropriation is provided solely for grants under RCW 46.09.540, subject to the following limitations:

(1) Twenty-five percent of the amounts provided are reserved for counties that each have a population of 15,000 persons or less;

(2) Seventy-five percent of the amounts provided are reserved for counties that each have a population exceeding 15,000 persons; and

(3) No county that receives a grant or grants under subsection (1) of this section may receive more than $60,000 in total grants.

**TRANSPORTATION AGENCIES—CAPITAL**

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

Freight Mobility Investment Account—State

Appropriation $13,600,000

Freight Mobility Multimodal Account—State

Appropriation $15,900,000

TOTAL APPROPRIATION $29,500,000

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

(1) Except as otherwise provided in this section, the entire appropriations in this section are provided solely for the projects by amount, as listed in the OFM Transportation Document 2023-2: Proposed FMSIB Project List as developed December 14, 2022, Freight Mobility Strategic Investment Board (FMSIB).

(2)(a) For the 2023-2025 project appropriations, unless otherwise provided in this act, the director of the office of financial management may authorize a transfer of appropriation authority between projects managed by the freight mobility strategic investment board in order for the board to manage project spending and support the efficient and timely delivery of all projects in the program. The office of financial management may authorize a transfer of appropriation authority between projects under the following conditions and limitations:

(i) 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;

(ii) 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 in OFM Transportation Document 2023-1: Proposed Transportation Project List as developed December 14, 2022;

(iii) Transfers between projects may be made by the board without the formal written approval provided under this subsection (2)(a), provided that the transfer amount does not exceed $250,000 or 10 percent of the total project, whichever is less. These transfers must be reported to the director of the office of financial management and the chairs of the house of representatives and senate transportation committees; and

(iv) Except for transfers made under (a)(iii) of this subsection, transfers may only be made in fiscal year 2023.

(b) At the time the board submits a request to transfer funds under this section, a copy of the request must be submitted to the chairs and ranking members of the transportation committees of the legislature.

(c) Before approval, 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 and consider any concerns raised by the chairs and ranking members of the transportation committees.

(d) No fewer than 10 days after the receipt of a project transfer request, the director of the office of financial management must provide written notification to the board of any decision regarding project transfers, with copies submitted to the transportation committees of the legislature.

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

State Patrol Highway Account—State Appropriation $8,338,000

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

(1) $2,360,000 of the state patrol highway account—state appropriation is provided solely for roof replacement.

(2) $5,978,000 of the state patrol highway account—state appropriation is provided solely for the following projects:

(a) $500,000 is for emergency repairs;

(b) $350,000 is for fuel tank decommissioning;

(c) $503,000 is for generator and electrical replacement;

(d) $704,000 is for the exterior envelope of the Yakima office;

(e) $2,189,000 is for energy efficiency projects;

(f) $1,157,000 is for pavement surface improvements;

(g) $300,000 is for fire alarm panel replacement;

(h) $75,000 is for predesign for Olympia 4th Ave. building; and

(i) $200,000 is for training academy expansion.

(3) The Washington state patrol may transfer funds between projects specified in subsection (2) of this section to address cash flow requirements. If a project specified in subsection (2) of this section is completed for less than the amount provided, the remainder may be transferred to another project specified in subsection (2) of this section not to exceed the total appropriation provided in subsection (2) of this section.

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

Move Ahead WA Account—State Appropriation $10,000,000

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

Motor Vehicle Account—State Appropriation $2,456,000

County Arterial Preservation Account—State

Appropriation $37,678,000

TOTAL APPROPRIATION $108,134,000

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

Climate Active Transportation Account—State

Appropriation $19,067,000

Move Ahead WA Account—State Appropriation $9,333,000

Small City Pavement and Sidewalk Account—State

Appropriation $3,975,000

Transportation Improvement Account—State

Appropriation $220,000,000

Complete Streets Grant Program Account—State

Appropriation $14,670,000

TOTAL APPROPRIATION $267,045,000

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

Motor Vehicle Account—State Appropriation $36,216,000

Move Ahead WA Account—State Appropriation $29,700,000

TOTAL APPROPRIATION $65,916,000

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

(1) $24,500,000 of the motor vehicle account—state appropriation is provided solely for making improvements to facilities to meet the Washington state clean buildings performance standard.

(2)(a) $4,025,000 of the motor vehicle account—state appropriation is provided solely for payments of a financing contract issued pursuant to chapter 39.94 RCW for the department facility located at 15700 Dayton Ave N in Shoreline.

(b) Payments from the department of ecology pursuant to the agreement with the department to pay a share of the financing contract in (a) of this subsection must be deposited into the motor vehicle account.

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

Move Ahead WA Account—Private/Local Appropriation $137,500,000

Transportation 2003 Account (Nickel Account)—State

Appropriation $317,000

Transportation Partnership Account—State

Appropriation $35,043,000

Motor Vehicle Account—State Appropriation $67,634,000

Motor Vehicle Account—Federal Appropriation $388,370,000

Coronavirus State Fiscal Recovery Fund—Federal

Appropriation $300,000,000

Motor Vehicle Account—Private/Local Appropriation $45,853,000

Connecting Washington Account—State Appropriation $1,325,048,000

Special Category C Account—State Appropriation $119,218,000

Multimodal Transportation Account—State

Appropriation $6,229,000

State Route Number 520 Corridor Account—State

Appropriation $400,000

Interstate 405 and State Route Number 167 Express

Toll Lanes Account—State Appropriation $283,580,000

Move Ahead WA Account—State Appropriation $194,922,000

Move Ahead WA Account—Federal Appropriation $350,300,000

Alaskan Way Viaduct Replacement Project Account—

State Appropriation $23,794,000

Climate Active Transportation Account—State

Appropriation $2,000,000

TOTAL APPROPRIATION $3,280,208,000

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, the entire move ahead WA account—federal appropriation, the entire move ahead WA 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 2023-1: Proposed Transportation Project List as developed December 14, 2022, 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 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 2023-1: Proposed Transportation Project List as developed December 14, 2022, Highway Improvements Program (I). Any federal funds gained through efficiencies, adjustments to the federal funds forecast, or the federal funds redistribution process must then be applied to highway and bridge preservation activities or fish passage barrier corrections (0BI4001).

(3) 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. Ten days prior to any transfer, the department must submit its request to the office of financial management and the transportation committees of the legislature and consider any concerns raised. The department shall submit a report on fiscal year funds transferred in the prior fiscal year using this subsection as part of the department's annual budget submittal.

(4) The connecting Washington account—state appropriation includes up to $112,164,000 in proceeds from the sale of bonds authorized in RCW 47.10.889.

(5) The special category C account—state appropriation includes up to $107,284,000 in proceeds from the sale of bonds authorized in RCW 47.10.812.

(6) The transportation partnership account—state appropriation includes up to $26,495,000 in proceeds from the sale of bonds authorized in RCW 47.10.873.

(7) $23,794,000 of the Alaskan Way viaduct replacement project account—state appropriation is provided solely for the SR 99/Alaskan Way Viaduct Replacement project (809936Z).

(8) $218,453,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation is provided solely for the I-405/SR 522 to I-5 Capacity Improvements project (L2000234), and up to $111,567,000 of the move ahead WA account—state appropriation is for the project, for activities related to adding capacity on Interstate 405 between state route number 522 and Interstate 5, with the goals of increasing vehicle throughput and aligning project completion with the implementation of bus rapid transit in the vicinity of the project.

(9) $394,963,000 of the connecting Washington account—state appropriation and $400,000 of the state route number 520 corridor account—state appropriation are provided solely for the SR 520 Seattle Corridor Improvements - West End project (M00400R).

(10) $427,616,000 of the connecting Washington account—state appropriation, $469,000 of the multimodal transportation account—state appropriation, $25,887,000 of the motor vehicle account—private/local appropriation, $20,800,000 of the move ahead WA account—federal appropriation, and $5,794,000 of the motor vehicle account—federal appropriation are provided solely for the SR 167/SR 509 Puget Sound Gateway project (M00600R), and up to $116,547,000 of the move ahead WA account—state appropriation is for the project.

(a) Any savings on the project must stay on the Puget Sound Gateway corridor until the project is complete.

(b) 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 continue to collaborate with the affected stakeholders as it implements the corridor construction and implementation plan for state route number 167 and state route number 509. 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.

(c) It is the legislature's intent that the department shall consult with the joint executive committee and joint steering committee to determine the most appropriate interchange at the junction of state route number 161 (Meridian avenue) and state route number 167.

(d) Of the amounts provided in this subsection, $2,300,000 of the multimodal transportation account—state appropriation is provided solely for the design phase of the Puyallup to Tacoma multiuse trail along the SR 167 right-of-way acquired for the project to connect a network of new and existing trails from Mount Rainier to Point Defiance Park.

(e) Of the amounts provided in this subsection, $2,500,000 of the multimodal transportation account—state appropriation is provided solely for segment 2 of the state route number 167 completion project shared-use path to provide connections to the interchange of state route number 167 at 54th to the intersection of state route number 509 and Taylor Way in Tacoma.

(11) $84,500,000 of the move ahead WA account—federal appropriation and $137,500,000 of the move ahead WA account—private/local appropriation are provided solely for the interstate bridge replacement project, and up to $53,000,000 of the move ahead WA account—state appropriation is for the project, to construct multimodal improvements to 5 miles of I-5 corridor between Oregon and Washington including replacement of the bridge over the Columbia River (L4000054).

(12)(a) $300,000,000 of the coronavirus state fiscal recovery fund—federal appropriation, $278,112,000 of the motor vehicle account—federal appropriation, $1,293,000 of the motor vehicle account—state appropriation, and $245,000,000 of the move ahead WA account—federal appropriation are provided solely for the Fish Passage Barrier Removal project (0BI4001), and up to $217,000,000 of the move ahead WA account—state appropriation is for the project, with the intent of fully complying with the federal *U.S. v. Washington* court injunction by 2030.

(b) The department shall coordinate with the Brian Abbott fish passage barrier removal board to use a watershed approach by replacing both state and local culverts guided by the principle of providing the greatest fish habitat gain at the earliest time. The department shall deliver high habitat value fish passage barrier corrections that it has identified, guided by the following factors: Opportunity to bundle projects, tribal priorities, ability to leverage investments by others, presence of other barriers, project readiness, culvert conditions, other transportation projects in the area, and transportation impacts. The department and Brian Abbott fish barrier removal board must provide updates on the implementation of the statewide culvert remediation plan to the legislature by November 1, 2024, and June 1, 2025.

(c) The department must keep track of, for each barrier removed: (i) The location; (ii) the amount of fish habitat gain; and (iii) the amount spent to comply with the injunction.

(13) $12,327,000 of the Interstate 405 and state route number 167 express toll lanes account—state appropriation, and $1,257,000 of the transportation partnership account—state appropriation are provided solely for the SR 167/SR 410 to SR 18 - Congestion Management project (316706C).

(14) 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 annual budget submittal. It is the intent of the legislature that new facility construction must be transparent and not appropriated within larger highway construction projects.

(15) Any advisory group that the department convenes during the 2023-2025 fiscal biennium must consider the interests of the entire state of Washington.

(16) By June 30, 2025, to the extent practicable, the department shall decommission the facilities for the Lacey project engineering office and the Tumwater project engineering office at the end of their lease terms and consolidate the Lacey project engineering office and the Tumwater project engineering office into the department's Olympic regional headquarters.

(17) $25,000,000 of the motor vehicle account—federal appropriation is provided solely for a federal fund exchange pilot program between federal surface transportation block grant population funding and state funds directed to counties to include an exchange rate of state funds of $0.90 per $1.00 in federal funds. $22,500,000 from existing state appropriations identified elsewhere within this section are available to be used as part of the exchange. A report on the effectiveness of the exchange program and recommendations for continuing the pilot program is due to the governor and transportation committees of the legislature by December 1, 2024.

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

Move Ahead WA Account—State Appropriation $1,251,000

Recreational Vehicle Account—State Appropriation $793,000

Transportation 2003 Account (Nickel Account)—State

Appropriation $18,759,000

Transportation Partnership Account—State

Appropriation $10,000,000

Motor Vehicle Account—State Appropriation $148,052,000

Motor Vehicle Account—Federal Appropriation $529,891,000

Motor Vehicle Account—Private/Local Appropriation $12,000,000

Connecting Washington Account—State Appropriation $45,577,000

State Route Number 520 Corridor Account—State

Appropriation $5,481,000

Tacoma Narrows Toll Bridge Account—State

Appropriation $10,892,000

Alaskan Way Viaduct Replacement Project Account—

State Appropriation $12,000

Interstate 405 and State Route Number 167 Express

Toll Lanes Account—State Appropriation $27,026,000

TOTAL APPROPRIATION $809,734,000

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, the entire move ahead WA 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 2023-1: Proposed Transportation Project List as developed December 14, 2022, 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 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 2023-1: Proposed Transportation Project List as developed December 14, 2022, Highway Preservation Program (P). Any federal funds gained through efficiencies, adjustments to the federal funds forecast, or the federal funds redistribution process must then be applied to highway and bridge preservation activities or fish passage barrier corrections (0BI4001).

(3) 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. Ten days prior to any transfer, the department must submit its request to the office of financial management and the transportation committees of the legislature and consider any concerns raised. The department shall submit a report on fiscal year funds transferred in the prior fiscal year using this subsection as part of the department's annual budget submittal.

(4) $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 (L2000290). 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 SR 99/Alaskan Way viaduct replacement project (809936Z).

(5) $24,794,000 of the motor vehicle account—federal appropriation and $16,000,000 of the connecting Washington account—state appropriation are provided solely for preservation projects within project L1100071 that ensure the reliable movement of freight on the national highway freight system.

(6) Within the connecting Washington account—state appropriation, the department may transfer funds from Highway System Preservation (L1100071) to other preservation projects listed in the OFM transportation document identified in subsection (1) of this section, if it is determined necessary for completion of these high priority preservation projects. The department's next budget submittal after using this subsection must appropriately reflect the transfer.

(7) $9,700,000 of the motor vehicle account—state appropriation is provided to address pavement, drainage, and roadside safety hardware preservation and maintenance needs on state route number 112 between milepost 0.0 and milepost 41.0 (G2000113).

(8) By June 30, 2025, to the extent practicable, the department shall decommission the facilities for the Lacey project engineering office and the Tumwater project engineering office at the end of their lease terms and consolidate the Lacey project engineering office and the Tumwater project engineering office into the department's Olympic regional headquarters.

(9) $25,000,000 of motor vehicle account—federal appropriation is provided for a federal fund exchange pilot program between federal surface transportation block grant population funding and state funds directed to counties to include an exchange rate of state funds of $0.90 per $1.00 in federal funds. $22,500,000 from existing state appropriations identified elsewhere within this section are available to be used as part of the exchange. A report on the effectiveness of the exchange program and recommendations for continuing the pilot program is due to the governor and transportation committees of the legislature by December 1, 2024.

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

Motor Vehicle Account—State Appropriation $8,275,000

Motor Vehicle Account—Federal Appropriation $5,100,000

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

TOTAL APPROPRIATION $13,875,000

The appropriations in this section are subject to the following conditions and limitations: $3,080,000 of the motor vehicle account—state appropriation is provided solely to construct pedestrian signals at nine locations on state route number 7 from 124th Street South to 189th Street South (0000YYY).

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

Carbon Emissions Reduction Account—State

Appropriation $74,027,000

Puget Sound Capital Construction Account—State

Appropriation $267,605,000

Puget Sound Capital Construction Account—Federal

Appropriation $151,199,000

Puget Sound Capital Construction Account—

Private/Local Appropriation $1,081,000

Transportation Partnership Account—State

Appropriation $7,442,000

Connecting Washington Account—State Appropriation $10,809,000

Capital Vessel Replacement Account—State

Appropriation $46,818,000

TOTAL APPROPRIATION $558,981,000

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 2023-1: Proposed Transportation Project List as developed December 14, 2022, Washington State Ferries Capital Program (W).

(2) For the 2023-2025 biennium, the marine division shall provide to the office of financial management and the legislative transportation committees the following reports on ferry capital projects:

(a) On a semiannual basis the report must include a status update on projects with funding provided in subsections (4), (5), and (7) of this section including, but not limited to, the following:

(i) Anticipated cost increases and cost savings;

(ii) Anticipated cash flow and schedule changes; and

(iii) Explanations for the changes.

(b) On an annual basis the report must include a status update on vessel and terminal preservation and improvement plans including, but not limited to, the following:

(i) What work has been done;

(ii) How have schedules shifted; and

(iii) Associated changes in funding among projects, accompanied by explanations for the changes.

(c) On an annual basis the report must include an update on the implementation of the maintenance management system with recommendations for using the system to improve the efficiency of project reporting under this subsection.

(3) $5,000,000 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.

(4) $25,792,000 of the Puget Sound capital construction account—state appropriation is provided solely for the conversion of up to two Jumbo Mark II vessels to electric hybrid propulsion (G2000084). The department shall seek additional funds for the purposes of this subsection. The department may spend from the Puget Sound capital construction account—state appropriation in this section only as much as the department receives in Volkswagen settlement funds for the purposes of this subsection.

(5) $46,818,000 of the capital vessel replacement account—state appropriation is provided solely for the acquisition of a 144-car hybrid-electric vessel (L2000329).

(6) The capital vessel replacement account—state appropriation includes up to $9,000,000 in proceeds from the sale of bonds authorized in RCW 47.10.873.

(7) $2,086,000 of the connecting Washington account—state appropriation is provided solely for ferry vessel and terminal preservation (L2000110). The funds provided in this subsection must be used for unplanned preservation needs before shifting funding from other preservation projects.

(8) $3,000,000 of the Puget Sound capital construction account—state appropriation is provided solely for the department to initiate a vessel design-build process to replace the aging Issaquah class ferries with a new 124-automobile hybrid electric ferry intended to operate on the Vashon-Southworth-Fauntleroy route (983000A). Funding will support predesign studies and development of a request for proposals for a design-build contract to procure up to four vessels.

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

Carbon Emissions Reduction Account—State

Appropriation $50,000,000

Essential Rail Assistance Account—State

Appropriation $676,000

Move Ahead WA Flexible Account—State Appropriation $35,000,000

Transportation Infrastructure Account—State

Appropriation $5,369,000

Multimodal Transportation Account—State

Appropriation $80,610,000

Multimodal Transportation Account—Federal

Appropriation $15,000,000

TOTAL APPROPRIATION $186,655,000

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 2023-1: Proposed Transportation Project List as developed December 14, 2022, Rail Program (Y).

(2) $2,030,000 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 10 years, and charge only so much interest as is necessary to recoup the department's costs to administer the loans. The department shall report annually to the transportation committees of the legislature and the office of financial management on all FRIB loans issued. FRIB program loans may be recommended by the department for 2022 supplemental transportation appropriations up to the amount provided in this appropriation that has not been provided for the projects listed in 2023-1: Proposed Transportation Project List, as referenced in subsection (1) of this section. The department shall submit a prioritized list for any loans recommended to the office of financial management and the transportation committees of the legislature by November 15, 2021.

(3) $7,040,000 of the multimodal transportation account—state appropriation is provided solely for new statewide emergent freight rail assistance projects (FRAP) identified in the OFM transportation document referenced in subsection (1) of this section.

(4) $369,000 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 (L2000179) 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.

(5)(a) $576,000 of the essential rail assistance account—state appropriation is 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 and transfers deposited into the essential rail assistance account from leases and sale of property relating to the Palouse river and Coulee City railroad;

(ii) Revenues from trackage rights agreement fees paid by shippers; and

(iii) Revenues and transfers 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.

(6) 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, 2024, the department shall submit a prioritized list of recommended projects to the office of financial management and the transportation committees of the legislature.

(7) $32,850,000 of the multimodal transportation account—state appropriation is provided solely for Passenger Rail Equipment Replacement (project 700010C). The appropriation in this subsection include insurance proceeds received by the state. The department must use these funds only to purchase replacement equipment that has been competitively procured and for service recovery needs and corrective actions related to the December 2017 derailment.

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

Carbon Emissions Reduction Account—State

Appropriation $14,000,000

Climate Active Transportation Account—State

Appropriation $155,818,000

Highway Infrastructure Account—State Appropriation $793,000

Highway Infrastructure Account—Federal Appropriation

$1,600,000

Move Ahead WA Account—State Appropriation $125,760,000

Move Ahead WA Flexible Account—State Appropriation $24,000,000

Transportation Partnership Account—State

Appropriation $500,000

Motor Vehicle Account—State Appropriation $5,470,000

Motor Vehicle Account—Federal Appropriation $57,127,000

Connecting Washington Account—State Appropriation $100,566,000

Multimodal Transportation Account—State

Appropriation $78,329,000

TOTAL APPROPRIATION $563,963,000

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 2023-1: Proposed Transportation Project List as developed December 14, 2022, 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)(i) $34,673,000 of the multimodal transportation account—state appropriation and $37,563,000 of the climate active transportation account—state appropriation are provided solely for pedestrian and bicycle safety program projects (L2000188) and (L1000307).

(ii) The state route 99/Aurora Avenue North Planning Study funded in this subsection (2)(a) must prioritize designs that ensure slow vehicle speeds and systematic improvement to the quality of multimodal access, and must be fully completed by September 30, 2023, in order to ensure construction of improvements begins no later than March 1, 2024.

(b) $19,137,000 of the motor vehicle account—federal appropriation, $12,844,000 of the multimodal transportation account—state appropriation, and $38,915,000 of the climate active transportation account—state appropriation are provided solely for safe routes to school projects (L2000189) and (L1000306). 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, 2023, and December 1, 2024, 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. In its December 1, 2023, report the department must also include recommended changes to the pedestrian safety/safe routes to school grant program application and selection processes to increase utilization by a greater diversity of jurisdictions.

(4) $15,786,000 of the multimodal transportation account—state appropriation is provided solely for the connecting Washington tier bicycle and pedestrian projects listed in the OFM transportation document referenced in subsection (1) of this section.

(5) $1,000,000 of the motor vehicle account—federal appropriation is provided solely for national highway freight network projects identified on the project list submitted in accordance with section 218(4)(b), chapter 14, Laws of 2016 on October 31, 2016 (L1000169).

(6) $36,640,000 of the motor vehicle account—federal appropriation is provided solely for acceleration of local preservation projects that ensure the reliable movement of freight on the national highway freight system (G2000100). The department will identify projects through its current national highway system asset management call for projects with applications due in February 2023. The department shall give priority to those projects that can be obligated by September 30, 2023.

(7) $100,000 of the multimodal transportation account—state appropriation is provided solely for a grant to the Northwest Seaport Alliance (NWSA) to lead the creation and coordination of a multistakeholder zero emissions truck collaborative (L2021119) that will: (a) Facilitate the development and implementation of one or more zero-emissions drayage truck demonstration projects in Washington state; and (b) develop a roadmap for transitioning the entire fleet of approximately 4,500 drayage trucks that serve the NWSA cargo gateway to zero-emissions vehicles by 2050 or sooner.

(8) $5,624,000 of the connecting Washington account—state appropriation is provided solely for the I-5/Mellen Street Connector project (L2000205).

(9) $400,000 of the motor vehicle account—state appropriation is provided solely for the 166th/SR 410 Interchange (L2021124).

(10) $800,000 of the motor vehicle account—state appropriation is provided solely for repairs and rehabilitation of the Pierce county ferry landings at Anderson Island and Steilacoom (L1000314).

(11) $150,000 of the motor vehicle account—state appropriation is provided solely for the city of Spokane for preliminary engineering of the US 195/Inland Empire Way project. Funds may be used for predesign environmental assessment work, community engagement, design, and project cost estimation (L1000316).

(12) $1,200,000 of the motor vehicle account—state appropriation is provided solely for the SR 109/88 Corner Roadway project (G2000106).

(13)(a) $25,000,000 of the motor vehicle account—federal appropriation is provided for a federal fund exchange pilot program between federal surface transportation block grant population funding and state funds directed to counties to include an exchange rate of state funds of $0.90 per $1.00 in federal funds. $22,500,000 from existing state appropriations identified elsewhere within this section are available to be used as part of the exchange. A report on the effectiveness of the exchange program and recommendations for continuing the pilot program is due to the governor and transportation committees of the legislature by December 1, 2024.

(b) $500,000 of the motor vehicle account—state appropriation is provided solely for administration, program management, and evaluation of the federal fund exchange pilot program.

NEW SECTION. **Sec.**  **ANNUAL REPORTING REQUIREMENTS FOR CAPITAL PROGRAM**

(1) As part of its annual budget submittal, the department of transportation shall provide an update to the report provided to the legislature in the prior fiscal year that: (a) Compares the original project cost estimates approved in the 2003, 2005, 2015, and 2022 revenue package project lists to the completed cost of the project, or the most recent legislatively approved budget and total project costs for projects not yet completed; (b) identifies highway projects that may be reduced in scope and still achieve a functional benefit; (c) identifies highway projects that have experienced scope increases and that can be reduced in scope; (d) identifies highway projects that have lost significant local or regional contributions that were essential to completing the project; (e) identifies risk reserves and contingency amounts allocated to projects; and (f) lists the nickel, TPA, and connecting Washington projects charging to the Nickel/TPA/CWA Environmental Mitigation Reserve (0BI4ENV) and the Nickel/TPA Projects Completed with Minor Ongoing Expenditures project (0BI100B), and the amount each project is charging.

(2) As part of its annual budget submittal, the department of transportation shall provide: (a) An annual report on the number of toll credits the department has accumulated and how the department has used the toll credits, and (b) a status report on the projects funded using federal national highway freight program funds.

NEW SECTION. **Sec.**  **QUARTERLY REPORTING REQUIREMENTS FOR CAPITAL PROGRAM**

On a quarterly basis, the department of transportation shall provide to the office of financial management and the legislative transportation committees a report for all capital projects, except for ferry projects subject to the reporting requirements established in section 309, chapter 333, Laws of 2021, that must include:

(1) A TEIS version containing actual capital expenditures for all projects consistent with the structure of the most recently enacted budget;

(2) Anticipated cost savings, cost increases, reappropriations, and schedule adjustments for all projects consistent with the structure of the most recently enacted budget;

(3) The award amount, the engineer's estimate, and the number of bidders for all active projects consistent with the structure of the most recently enacted budget; and

(4) Risk reserves and contingency amounts for all projects consistent with the structure of the most recently enacted budget.

NEW SECTION. **Sec.**  **FEDERAL FUNDS RECEIVED FOR CAPITAL PROJECT EXPENDITURES**

To the greatest extent practicable, the department of transportation shall expend federal funds received for capital project expenditures before state funds.

NEW SECTION. **Sec.**  **NOTIFICATION REQUIREMENTS FOR PAUSES AND CANCELLATIONS**

(1) The department shall notify the transportation committees of the legislature when it intends to pause for a significant length of time, or not proceed with, operating items or capital projects included as budget provisos or on project lists. When feasible, this notification shall be provided prior to the pause or cancellation and at least seven days in advance of any public announcement related to such a pause or cancellation.

(2) At the time of notification, the department shall provide an explanation for the reason or reasons for the pause or cancellation for each operating budget item and capital project. The explanation shall include specific reasons for each pause or cancellation, in addition to a statement of the broad rationale for the pause or cancellation.

(3) When feasible, the department shall make best efforts to keep the transportation committees of the legislature informed of an evaluation process underway for selecting operating budget items and capital projects to be paused or canceled, providing updates as its selection efforts proceed.

(4) When exigent circumstances prevent prior notice of a pause or cancellation from being provided to the transportation committees of the legislature, the department shall provide the information required under this section to the transportation committees of the legislature as soon as is practicable.

**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 $180,000

Connecting Washington Account—State Appropriation $568,000

Special Category C Account—State Appropriation $540,000

Highway Bond Retirement Account—State Appropriation $1,428,364,000

Ferry Bond Retirement Account—State Appropriation $4,616,000

Transportation Improvement Board Bond Retirement

Account—State Appropriation $10,895,000

Nondebt-Limit Reimbursable Bond Retirement Account—

State Appropriation $28,606,000

Toll Facility Bond Retirement Account—State

Appropriation $76,372,000

TOTAL APPROPRIATION $1,550,141,000

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 $36,000

Connecting Washington Account—State Appropriation $116,000

Special Category C Account—State Appropriation $108,000

Transportation Improvement Account—State

Appropriation $20,000

TOTAL APPROPRIATION $280,000

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

Motor Vehicle Account—State Appropriation: For motor

vehicle fuel tax statutory distributions to

cities and counties $484,681,000

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

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

Motor Vehicle Account—State Appropriation: For motor

vehicle fuel tax refunds and statutory

transfers $2,068,839,000

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

Motor Vehicle Account—State Appropriation: For motor

vehicle fuel tax refunds and transfers $251,441,000

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

(1) Highway Safety Account—State Appropriation:

For transfer to the State Patrol Highway

Account—State $29,000,000

(2)(a) Transportation Partnership Account—State

Appropriation: For transfer to the Capital Vessel

Replacement Account—State $9,000,000

(b) The amount transferred in this subsection represents proceeds from the sale of bonds authorized in RCW 47.10.873.

(3) Motor Vehicle Account—State Appropriation:

For transfer to the County Arterial Preservation

Account—State $4,844,000

(4) Motor Vehicle Account—State Appropriation:

For transfer to the Freight Mobility Investment

Account—State $8,511,000

(5) Motor Vehicle Account—State Appropriation:

For transfer to the Rural Arterial Trust Account—State $4,844,000

(6) Motor Vehicle Account—State Appropriation:

For transfer to the Transportation Improvement

Account—State $9,688,000

(7) State Route Number 520 Civil Penalties

Account—State Appropriation: For transfer to the

State Route Number 520 Corridor Account—State $560,000

(8) Capital Vessel Replacement Account—State

Appropriation: For transfer to the Connecting

Washington Account—State $40,000,000

(9) Multimodal Transportation Account—State

Appropriation: For transfer to the Complete Streets

Grant Program Account—State $14,670,000

(10) Multimodal Transportation Account—State

Appropriation: For transfer to the Freight Mobility

Multimodal Account—State $8,511,000

(11) Multimodal Transportation Account—State

Appropriation: For transfer to the Regional Mobility

Grant Program Account—State $27,679,000

(12) Multimodal Transportation Account—State

Appropriation: For transfer to the Rural Mobility

Grant Program Account—State $12,223,000

(13)(a) Alaskan Way Viaduct Replacement Project

Account—State Appropriation: For transfer to the

Transportation Partnership Account—State $25,000,000

(b) The amount transferred in this subsection represents repayment of the project cost increases paid from the transportation partnership account—state funds incurred for the construction of the SR 99/Alaskan Way Viaduct Replacement project (809936Z).

(14) Tacoma Narrows Toll Bridge Account—State

Appropriation: For transfer to the Motor Vehicle

Account—State $543,000

(15) Transportation Partnership Account—State

Appropriation: For transfer to the Motor Vehicle

Account—State $30,000,000

(16) Transportation Partnership Account—State

Appropriation: For transfer to the State Patrol Highway

Account—State $75,000,000

(17) Highway Safety Account—State Appropriation:

For transfer to the Motor Vehicle

Account—State $40,000,000

(18) Motor Vehicle Account—State Appropriation:

For transfer to the Move Ahead WA Account—State $7,500,000

(19) Connecting Washington Account—State Appropriation:

For transfer to the Move Ahead WA Account—State $200,000,000

(20) Multimodal Transportation Account—State Appropriation:

For transfer to the Motor Vehicle Account—State $127,000,000

(21) Multimodal Transportation Account—State

Appropriation: For transfer to the Puget Sound Ferry

Operations Account—State $140,000,000

(22) Multimodal Transportation Account—State

Appropriation: For transfer to the State Patrol Highway

Account—State $46,000,000

(23) Carbon Emissions Reduction Account—State

Appropriation: For transfer to the Multimodal Transportation

Account—State $127,000,000

(24) Move Ahead WA Flexible Account—State

Appropriation: For transfer to the Motor Vehicle

Account—State $33,000,000

(25) Move Ahead WA Flexible Account—State

Appropriation: For transfer to the Puget Sound

Ferry Operations Account—State $75,000,000

(26)(a) Alaskan Way Viaduct Replacement Project

Account—State Appropriation: For transfer to

the Motor Vehicle Account—State $25,000,000

(b) $9,000,000 of the amount transferred in this subsection represents repayment of the project cost increases paid from Motor Vehicle Account—State funds incurred for the construction of the SR 99/Alaskan Way Viaduct Replacement project (809936Z).

(27) Transportation 2003 Account (Nickel Account)

—State Appropriation: For transfer to the State Patrol

Highway Account—State $52,000,000

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 $194,241,000

Toll Facility Bond Retirement Account—State

Appropriation $25,372,000

TOTAL APPROPRIATION $219,613,000

The appropriations in this section are subject to the following conditions and limitations: $35,250,000 of the toll facility bond retirement account—federal appropriation may be used to prepay certain outstanding bonds if sufficient debt service savings can be obtained.

NEW SECTION. **Sec.**  **COMPENSATION AND BENEFITS**

Motor Vehicle Account—State Appropriation $103,000

The appropriation in this section is subject to the following conditions and limitations: Funding is provided for compensation and benefits for legislative branch employees, as shown in OFM Transportation Document 2023-3: Compensation Allocations as developed December 14, 2022.

NEW SECTION. **Sec.**  **CENTRAL SERVICE CHARGES**

Motor Vehicle Account—State Appropriation $9,000

The appropriation in this section is subject to the following conditions and limitations: Funding is provided for central service agency charges for legislative branch agencies, as shown in OFM Transportation Document 2023-4: Central Services Charges for Legislative Agencies as developed December 14, 2022.

**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**

In accordance with chapters 41.80, 41.56, and 47.64 RCW, agreements have been reached between the governor and employee organizations representing state employee bargaining units for the 2023-2025 fiscal biennium. Funding is provided in this act to fund these agreements. The collective bargaining agreements that have been reached and are funded in this act, and the description of the major economic terms in each of the listed agreements are specified in OFM transportation document 2023-5: 2023-2025 Collective Bargaining Agreements as developed December 14, 2022.

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

An agreement was reached for the 2023-2025 biennium between the governor and the health care coalition under the provisions of chapter 41.80 RCW. Appropriations in this act for state agencies are sufficient to implement the provisions of the 2023-2025 collective bargaining agreement, which maintains the provisions of the prior agreement, and are subject to the following conditions and limitations:

(1) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed $1,160 per eligible employee for fiscal year 2024. For fiscal year 2025, the monthly employer funding rate shall not exceed $1,233 per eligible employee. These rates include funding to cover, effective January 1, 2024: (a) Increased provider payments in the uniform medical plan for in-network advanced registered nurse practitioners (ARNPs) to have parity with a licensed in-network physician for the same services rendered, (b) increasing the temporomandibular (TMJ) benefit to $1,000 annually/$5,000 lifetime in the uniform dental plan, and (c) eliminating the deductible for children up to age 15 in the uniform dental plan. These rates are sufficient to cover, effective January 1, 2025, carving vision benefits out medical plans into stand-alone vision insurance.

(2) The board shall collect a $25 per month surcharge payment from members who use tobacco products and a surcharge payment of not less than $50 per month from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in another employer-based group health insurance that has benefits and premiums with an actuarial value of not less than 95 percent of the actuarial value of the public employees' benefits board plan with the largest enrollment. The surcharge payments shall be collected in addition to the member premium payment if directed by the legislature.

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

Appropriations for state agencies in this act are sufficient for represented employees outside the coalition for health benefits, and are subject to the following conditions and limitations: The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, may not exceed $1,160 per eligible employee for fiscal year 2024. For fiscal year 2025, the monthly employer funding rate may not exceed $1,233 per eligible employee.

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: The employer monthly funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed $1,160 per eligible employee for fiscal year 2024. For fiscal year 2025, the monthly employer funding rate shall not exceed $1,233 per eligible employee.

NEW SECTION. **Sec.**  **GENERAL WAGE INCREASES AND LUMP SUM PAYMENTS**

(1) Appropriations for state agency employee compensation in this act are sufficient to provide general wage increases, retention lump sum payment and a lump sum COVID-19 booster incentive to state agency employees who are not represented or who bargain under statutory authority other than chapter 41.80 or 47.64 RCW or RCW 41.56.473 or 41.56.475.

(2) Funding is provided for a four percent general wage increase effective July 1, 2023, for all classified employees as specified in subsection (1) of this section, employees in the Washington management service, and exempt employees under the jurisdiction of the office of financial management. The appropriations are also sufficient to fund a four percent salary increase effective July 1, 2023, for executive and legislative branch employees exempt from merit system rules whose maximum salaries are not set by the commission on salaries for elected officials.

(3) Funding is provided for a three percent general wage increase effective July 1, 2024, for all classified employees as specified in subsection (1) of this section, employees in the Washington management service, and exempt employees under the jurisdiction of the office of financial management. The appropriations are also sufficient to fund a three percent salary increase effective July 1, 2024, for executive and legislative branch employees exempt from merit system rules whose maximum salaries are not set by the commission on salaries for elected officials.

(4) Funding is provided for a retention lump sum payment of $1,000 for all employees as specified in subsection (1) of this section, employed on or before July 1, 2022, and continuously employed through July 1, 2023.

(5) Funding is provided for a COVID-19 booster incentive payment of $1,000 for all employees as specified in subsection (1) of this section, who provide verification, beginning January 1, 2023, through December 31, 2023, that they are up-to-date with the COVID-19 vaccine booster.

NEW SECTION. **Sec.**  **COMPENSATION—PENSION CONTRIBUTIONS**

Appropriations to state agencies include funding for an increase in pension contribution rates for several state pension systems. An increase of 0.12 percent is funded for state employer contributions to the public employees' retirement system, the public safety employees' retirement systems, and the school employees' retirement system. An increase of 0.23 percent for employer contributions to the teachers' retirement system is funded. These increases are provided for the purpose of a one-time, ongoing pension increase for retirees in the public employees' retirement system plan 1 and teachers' retirement system plan 1, as provided in Z-0143.1/23 (providing a benefit increase to certain retirees of the public employees' retirement system plan 1 and the teachers' retirement system plan 1). If chapter . . ., Laws of 2023 (providing a benefit increase to certain retirees of the public employees' retirement system plan 1 and the teachers' retirement system plan 1) is not enacted by June 30, 2023, this section lapses.

NEW SECTION. **Sec.**  **COMPENSATION—REVISE PENSION CONTRIBUTION RATES**

The appropriations in this act for school districts and state agencies, including institutions of higher education, are subject to the following conditions and limitations: Appropriations are adjusted to reflect changes to agency appropriations to reflect pension contribution rates adopted by the pension funding council and the law enforcement officers' and firefighters' retirement system plan 2 board.

**IMPLEMENTING PROVISIONS**

NEW SECTION. **Sec.**  **MANAGEMENT OF TRANSPORTATION FUNDS WHEN THE LEGISLATURE IS NOT IN SESSION**

(1) The 2005 transportation partnership projects or improvements and 2015 connecting Washington projects or improvements are listed in the OFM Transportation Document 2023-1: Proposed Transportation Project List as developed December 14, 2022, which consists of a list of specific projects by fund source and amount over a 16-year period. Current fiscal biennium funding for each project is a line-item appropriation, while the outer year funding allocations represent a 16-year plan. The department of transportation is expected to use the flexibility provided in this section to assist in the delivery and completion of all transportation partnership account and connecting Washington account projects on the OFM transportation document referenced in this subsection. For the 2023-2025 project appropriations, unless otherwise provided in this act, the director of the office of financial management may provide written authorization for a transfer of appropriation authority between projects funded with transportation partnership account appropriations or connecting Washington account appropriations 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 to a project may not occur if that project is a programmatic funding item described in broad general terms on the applicable project list without referencing a specific state route number;

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

(g) Transfers to a project may not be made with funds designated as attributable to practical design savings as described in RCW 47.01.480;

(h) Except for transfers made under (l) of this subsection, transfers may only be made in fiscal year 2024;

(i) The total amount of transfers under this section may not exceed $50,000,000;

(j) Except as otherwise provided in (l) of this subsection, transfers made to a single project may not cumulatively total more than $20,000,000 per biennium;

(k) 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; and

(l) Transfers between projects may be made by the department of transportation without the formal written approval provided under this subsection (1), provided that the transfer amount to a single project does not exceed $250,000 or 10 percent of the total project per biennium, whichever is less. 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) The department of transportation must submit quarterly all transfers authorized under this section in the transportation executive information system. The office of financial management must maintain a legislative baseline project list identified in the OFM transportation documents referenced in this act, and update that project list with all authorized transfers under this section, including any effects to the total project budgets and schedules beyond the current biennium.

(3) At the time the department submits a request to transfer funds under this section, a copy of the request must be submitted to the chairs and ranking members of the transportation committees of the legislature.

(4) Before approval, 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 and address any concerns raised by the chairs and ranking members of the transportation committees.

(5) No fewer than 10 days after the receipt of a project transfer request, the director of the office of financial management must provide written notification to the department of any decision regarding project transfers, with copies submitted to the transportation committees of the legislature.

(6) The department must submit annually as part of its budget submittal a report detailing all transfers made pursuant to this section, including any effects to the total project budgets and schedules beyond the current biennium.

(7)(a) If the department of transportation receives federal funding not appropriated in this act, the department shall apply such funds to any of the following activities in lieu of state funds, if compliant with federal funding restrictions, and in the order that most reduces administrative burden and minimizes the use of bond proceeds:

(i) OFM Transportation Document 2023-1: Proposed Transportation Project List as developed December 14, 2022; or

(ii) Other department of transportation operating or capital expenditures funded by appropriations from state accounts in this act.

(b) However, if the funds received may not be used for any of the purposes enumerated in this section and must be obligated before the next regular legislative session, then the department may program the funds for other transportation-related activities, provided that these actions do not initiate any new programs, policies, or expenditure levels requiring additional one-time or ongoing state funds that have not been expressly authorized by the legislature. The department shall follow the existing unanticipated receipt process to notify the legislative standing committees on transportation and the office of financial management of the amount of federal funds received in addition to those appropriated in this act and the projects or activities receiving funding through this process.

(8) This section does not apply to appropriations used to fund projects within the federal fund exchange pilot program authorized in sections 306, 307, and 311 of this act.

NEW SECTION. **Sec.**  **BOND REIMBURSEMENT**

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, connecting Washington 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.

NEW SECTION. **Sec.**  **REAPPROPRIATIONS REPORTING**

(1) As part of its 2024 supplemental budget submittal, the department of transportation shall provide a report to the legislature and the office of financial management that:

(a) Identifies, by capital project, the amount of state funding that has been reappropriated from the 2021-2023 fiscal biennium into the 2023-2025 fiscal biennium; and

(b) Identifies, for each project, the amount of cost savings or increases in funding that have been identified as compared to the 2017 enacted omnibus transportation appropriations act.

(2) As part of the agency request for capital programs, the department shall load reappropriations separately from funds that were assumed to be required for the 2021-2023 fiscal biennium into budgeting systems.

NEW SECTION. **Sec.**  **WEBSITE REPORTING REQUIREMENTS**

(1) The department of transportation shall post on its website every report that is due from the department to the legislature during the 2023-2025 fiscal biennium on one web page. The department must post both completed reports and planned reports on a single web page.

(2) The department shall provide a web link for each change order that is more than $500,000 on the affected project web page.

NEW SECTION. **Sec.**  **TRANSIT, BICYCLE, AND PEDESTRIAN ELEMENTS REPORTING**

(1) By November 15th of each year, the department of transportation must report on amounts expended to benefit transit, bicycle, or pedestrian elements within all connecting Washington projects in programs I, P, and Z identified in OFM Transportation Document 2023-1: Proposed Transportation Project List as developed December 14, 2022. The report must address each modal category separately and identify if eighteenth amendment protected funds have been used and, if not, the source of funding.

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

NEW SECTION. **Sec.**  **PROJECT SCOPE CHANGES**

(1) During the 2023-2025 fiscal biennium, while the legislature is not in session, the director of the office of financial management may approve project scope change requests to connecting Washington projects in the highway improvements program, provided that the requests meet the criteria outlined in RCW 47.01.480 and are subject to the limitations in this section.

(2) At the time the department of transportation submits a request for a project scope change under this section, a copy of the request must be submitted to the transportation committees of the legislature.

(3) Before approval, the office of financial management shall work with legislative staff of the house of representatives and senate transportation committees to review the requested project scope changes.

(4) No fewer than 10 days after the receipt of a scope change request, the director of the office of financial management must provide written notification to the department of any decision regarding project scope changes, with copies submitted to the transportation committees of the legislature.

(5) As part of its annual budget submittal, the department of transportation must report on all approved scope change requests from the prior year, including a comparison of the scope before and after the requested change.

NEW SECTION. **Sec.**  **TOLL CREDITS**

The department of transportation may provide up to $3,000,000 in toll credits to Kitsap transit for its role in passenger-only ferry service and ferry corridor-related projects. The number of toll credits provided must be equal to, but no more than, the number sufficient to meet federal match requirements for grant funding for passenger-only ferry service, but must not exceed the amount authorized in this section.

**MISCELLANEOUS 2023-2025 FISCAL BIENNIUM**

NEW SECTION. **Sec.**  **INFORMATION TECHNOLOGY OVERSIGHT**

(1) Agencies must apply to the office of financial management and the office of the state chief information officer for approval before beginning a project or proceeding with each discrete stage of a project subject to this section. At each stage, the office of the state chief information officer must certify that the project has an approved technology budget and investment plan, complies with state information technology and security requirements, and other policies defined by the office of the state chief information officer. The office of financial management must notify the fiscal committees of the legislature of the receipt of each application and may not approve a funding request for 10 business days from the date of notification.

(2)(a) Each project must have a technology budget. The technology budget must have the detail by fiscal month for the 2023-2025 fiscal biennium. The technology budget must use a method similar to the state capital budget, identifying project costs, each fund source, and anticipated deliverables through each stage of the entire project investment and across fiscal periods and biennia from project onset through implementation and close out, as well as at least five years of maintenance and operations costs.

(b) As part of the development of a technology budget and at each request for funding, the agency shall submit an updated technology budget, if changes occurred, to include detailed financial information to the office of financial management and the office of the chief information officer. The technology budget must describe the total cost of the project, as well as maintenance and operations costs, to include and identify at least:

(i) Fund sources;

(ii) Full time equivalent staffing level to include job classification assumptions;

(iii) Discrete financial budget codes to include at least the appropriation index and program index;

(iv) Object and subobject codes of expenditures;

(v) Anticipated deliverables;

(vi) Historical budget and expenditure detail by fiscal year; and

(vii) Maintenance and operations costs by fiscal year for at least five years as a separate worksheet.

(c) If a project technology budget changes and a revised technology budget is completed, a comparison of the revised technology budget to the last approved technology budget must be posted to the dashboard, to include a narrative rationale on what changed, why, and how that impacts the project in scope, budget, and schedule.

(3)(a) Each project must have an investment plan that includes:

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

(ii) The office of the chief information officer staff assigned to the project;

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

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

(v) Ongoing maintenance and operations cost of the project post implementation and close out delineated by agency staffing, contracted staffing, and service level agreements; and

(vi) Financial budget coding to include at least discrete financial coding for the project.

(4) Projects with estimated costs greater than $100,000,000 from initiation to completion and implementation may be divided into discrete subprojects as determined by the office of the state chief information officer. Each subproject must have a technology budget and investment plan as provided in this section.

(5)(a) The office of the chief information officer shall maintain an information technology project dashboard that provides updated information each fiscal month on projects subject to this section. This includes, at least:

(i) Project changes each fiscal month;

(ii) Noting if the project has a completed market requirements document, and when it was completed;

(iii) Financial status of information technology projects under oversight;

(iv) Coordination with agencies;

(v) Monthly quality assurance reports, if applicable;

(vi) Monthly office of the chief information officer status reports;

(vii) Historical project budget and expenditures through fiscal year 2021;

(viii) Budget and expenditures each fiscal month;

(ix) Estimated annual maintenance and operations costs by fiscal year; and

(x) Posting monthly project status assessments on scope, schedule, budget, and overall by the:

(A) Office of the chief information officer;

(B) Agency project team; and

(C) Quality assurance vendor, if applicable to the project.

(b) The dashboard must retain a roll up of the entire project cost, including all subprojects, that can display subproject detail. This includes coalition projects that are active.

(6) If the project affects more than one agency:

(a) A separate technology budget and investment plan must be prepared for each agency; and

(b) The dashboard must contain a statewide project technology budget roll up that includes each affected agency at the subproject level.

(7) For any project that exceeds $2,000,000 in total funds to complete, requires more than one biennium to complete, or is financed through financial contracts, bonds, or other indebtedness:

(a) Quality assurance for the project must report independently to the office of the chief information officer;

(b) The office of the chief information officer must review, and, if necessary, revise the proposed project to ensure it is flexible and adaptable to advances in technology;

(c) The technology budget must specifically identify the uses of any financing proceeds. No more than 30 percent of the financing proceeds may be used for payroll-related costs for state employees assigned to project management, installation, testing, or training;

(d) The agency must consult with the office of the state treasurer during the competitive procurement process to evaluate early in the process whether products and services to be solicited and the responsive bids from a solicitation may be financed; and

(e) The agency must consult with the contracting division of the department of enterprise services for a review of all contracts and agreements related to the project's information technology procurements.

(8) The office of the chief information officer must evaluate the project at each stage and certify whether the project is planned, managed, and meeting deliverable targets as defined in the project's approved technology budget and investment plan.

(9) The office of the chief information officer may suspend or terminate a project at any time if it 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 unallot any unused funding and shall not make any expenditure for the project without the approval of the office of financial management. The office of the chief information officer must report on July 1st and December 1st each calendar year any suspension or termination of a project in the previous six-month period to the legislative fiscal committees.

(10) 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, including projects that are not separately identified within an agency budget. The office of the chief information officer must report on July 1st and December 1st each calendar year any additional projects to be subjected to this section that were identified in the previous six-month period to the legislative fiscal committees.

**Sec.**  RCW 43.19.642 and 2021 c 333 s 703 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~~)) 20 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 ((~~2019-2021 and~~)) 2021-2023 and 2023-2025 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 or B10 biodiesel blend does not exceed the price of conventional diesel fuel by five percent or more.

**Sec.**  RCW 46.20.745 and 2021 c 333 s 704 are each amended to read as follows:

(1) The ignition interlock device revolving account program is created within the department to assist in covering the monetary costs of installing, removing, and leasing an ignition interlock device, and applicable licensing, for indigent persons who are required under RCW 46.20.385, 46.20.720, and 46.61.5055 to install an ignition interlock device in all vehicles owned or operated by the person. For purposes of this subsection, "indigent" has the same meaning as in RCW 10.101.010, as determined by the department. During the ((~~2019-2021 and~~)) 2021-2023 and 2023-2025 fiscal biennia, the ignition interlock device revolving account program also includes ignition interlock enforcement work conducted by the Washington state patrol.

(2) A pilot program is created within the ignition interlock device revolving account program for the purpose of monitoring compliance by persons required to use ignition interlock devices and by ignition interlock companies and vendors.

(3) The department, the state patrol, and the Washington traffic safety commission shall coordinate to establish a compliance pilot program that will target at least one county from eastern Washington and one county from western Washington, as determined by the department, state patrol, and Washington traffic safety commission.

(4) At a minimum, the compliance pilot program shall:

(a) Review the number of ignition interlock devices that are required to be installed in the targeted county and the number of ignition interlock devices actually installed;

(b) Work to identify those persons who are not complying with ignition interlock requirements or are repeatedly violating ignition interlock requirements; and

(c) Identify ways to track compliance and reduce noncompliance.

(5) As part of monitoring compliance, the Washington traffic safety commission shall also track recidivism for violations of RCW 46.61.502 and 46.61.504 by persons required to have an ignition interlock driver's license under RCW 46.20.385 and 46.20.720.

**Sec.**  RCW 82.21.030 and 2022 c 182 s 313 are each amended to read as follows:

(1)(a) A tax is imposed on the privilege of possession of hazardous substances in this state. Except as provided in (b) of this subsection, the rate of the tax is seven-tenths of one percent multiplied by the wholesale value of the substance. Moneys collected under this subsection (1)(a) must be deposited in the model toxics control capital account.

(b) Beginning July 1, 2019, the rate of the tax on petroleum products is ((~~one dollar and nine cents~~)) $1.09 per barrel. The tax collected under this subsection (1)(b) on petroleum products must be deposited as follows, after first depositing the tax as provided in (c) of this subsection, except that during the 2021-2023 ((~~biennium~~)) and 2023-2025 fiscal biennia the deposit as provided in (c) of this subsection may be prorated equally across each month of the biennium:

(i) Sixty percent to the model toxics control operating account created under RCW 70A.305.180;

(ii) Twenty-five percent to the model toxics control capital account created under RCW 70A.305.190; and

(iii) Fifteen percent to the model toxics control stormwater account created under RCW 70A.305.200.

(c) Until the beginning of the ensuing biennium after the enactment of an additive transportation funding act, $50,000,000 per biennium to the motor vehicle fund to be used exclusively for transportation stormwater activities and projects. For purposes of this subsection, "additive transportation funding act" means an act enacted after June 30, 2023, in which the combined total of new revenues deposited into the motor vehicle fund and the multimodal transportation account exceed $2,000,000,000 per biennium attributable solely to an increase in revenue from the enactment of the act.

(d) The department must compile a list of petroleum products that are not easily measured on a per barrel basis. Petroleum products identified on the list are subject to the rate under (a) of this subsection in lieu of the volumetric rate under (b) of this subsection. The list will be made in a form and manner prescribed by the department and must be made available on the department's internet website. In compiling the list, the department may accept technical assistance from persons that sell, market, or distribute petroleum products and consider any other resource the department finds useful in compiling the list.

(2) Chapter 82.32 RCW applies to the tax imposed in this chapter. The tax due dates, reporting periods, and return requirements applicable to chapter 82.04 RCW apply equally to the tax imposed in this chapter.

(3) Beginning July 1, 2020, and every July 1st thereafter, the rate specified in subsection (1)(b) of this section must be adjusted to reflect the percentage change in the implicit price deflator for nonresidential structures as published by the United States department of commerce, bureau of economic analysis for the most recent 12-month period ending December 31st of the prior year.

**Sec.**  RCW 47.66.120 and 2022 c 182 s 439 are each amended to read as follows:

(1)(a) The department's public transportation division shall establish a green transportation capital grant program. The purpose of the grant program is to aid any transit authority in funding cost-effective capital projects to reduce the carbon intensity of the Washington transportation system, examples of which include: Electrification of vehicle fleets, including battery and fuel cell electric vehicles; modification or replacement of capital facilities in order to facilitate fleet electrification and/or hydrogen refueling; necessary upgrades to electrical transmission and distribution systems; and construction of charging and fueling stations. The department's public transportation division shall identify projects and shall submit a prioritized list of all projects requesting funding to the legislature by December 1st of each even-numbered year.

(b) The department's public transportation division shall select projects based on a competitive process that considers the following criteria:

(i) The cost-effectiveness of the reductions in carbon emissions provided by the project; and

(ii) The benefit provided to transitioning the entire state to a transportation system with lower carbon intensity.

(2) The department's public transportation division must establish an advisory committee to assist in identifying projects under subsection (1) of this section. The advisory committee must include representatives from the department of ecology, the department of commerce, the utilities and transportation commission, and at least one transit authority.

(3) In order to receive green transportation capital grant program funding for a project, a transit authority must provide matching funding for that project that is at least equal to ((~~twenty~~)) 20 percent of the total cost of the project.

(4) The department's public transportation division must report annually to the transportation committees of the legislature on the status of any grant projects funded by the program created under this section.

(5) For purposes of this section, "transit authority" means a city transit system under RCW 35.58.2721 or chapter 35.95A RCW, a county public transportation authority under chapter 36.57 RCW, a metropolitan municipal corporation transit system under chapter 36.56 RCW, a public transportation benefit area under chapter 36.57A RCW, an unincorporated transportation benefit area under RCW 36.57.100, a regional transit authority under chapter 81.112 RCW, or any special purpose district formed to operate a public transportation system.

(6) During the 2021-2023 and 2023-2025 fiscal ((~~biennium~~)) biennia, the department may provide up to 20 percent of the total green transportation capital grant program funding for zero emissions capital transition planning projects.

**Sec.**  RCW 46.68.060 and 2022 c 182 s 434 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, chapters 46.72 and 46.72A RCW, and RCW 47.04.410. ((~~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, 2019-2021, and~~)) 2021-2023 fiscal ((~~biennia~~)) biennium, the legislature may direct the state treasurer to make transfers of moneys in the highway safety fund to the multimodal transportation account and the state patrol highway account. During the 2023-2025 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the highway safety fund to the state patrol highway account and the motor vehicle fund.

**Sec.**  RCW 46.68.290 and 2022 c 157 s 16 are each amended to read as follows:

(1) The transportation partnership account is hereby created in the motor vehicle fund. 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~~)) 30 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 ((~~2019-2021 and~~)) 2021-2023 fiscal ((~~biennia~~)) biennium, the legislature may direct the state treasurer to make transfers of moneys in the transportation partnership account to the connecting Washington account, the motor vehicle fund, the Tacoma Narrows toll bridge account, and the capital vessel replacement account. During the 2023-2025 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the transportation partnership account to the motor vehicle fund, the capital vessel replacement account, and the state patrol highway account.

**Sec.**  RCW 47.60.322 and 2021 c 333 s 712 are each amended to read as follows:

(1) The capital vessel replacement account is created in the motor vehicle fund. All revenues generated from the vessel replacement surcharge under RCW 47.60.315(7) and service fees collected by the department of licensing or county auditor or other agent appointed by the director under RCW 46.17.040, 46.17.050, and 46.17.060 must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the construction or purchase of ferry vessels and to pay the principal and interest on bonds authorized for the construction or purchase of ferry vessels. However, expenditures from the account must first be used to support the construction or purchase, including any applicable financing costs, of a ferry vessel with a carrying capacity of at least ((~~one hundred forty-four~~)) 144 cars.

(2) The state treasurer may transfer moneys from the capital vessel replacement account to the transportation 2003 account (nickel account) for debt service on bonds issued for the construction of 144-car class ferry vessels.

(3) The legislature may transfer from the capital vessel replacement account to the connecting Washington account created under RCW 46.68.395 such amounts as reflect the excess fund balance of the capital vessel replacement account to be used for ferry terminal construction and preservation.

(4) During the ((~~2019-2021 and~~)) 2021-2023 fiscal ((~~biennia~~)) biennium, the legislature may direct the state treasurer to make transfers of moneys in the capital vessel replacement account to the transportation partnership account and the connecting Washington account. During the 2023-2025 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the capital vessel replacement account to the connecting Washington account.

**Sec.**  RCW 46.68.395 and 2020 c 219 s 707 are each amended to read as follows:

(1) The connecting Washington account is created in the motor vehicle fund. Moneys in the account may be spent only after appropriation. Expenditures from the account must be used only for projects or improvements identified as connecting Washington projects or improvements in a transportation appropriations act, including any principal and interest on bonds authorized for the projects or improvements.

(2) Moneys in the connecting Washington account may not be expended on the state route number 99 Alaskan Way viaduct replacement project.

(3) During the ((~~2019-2021~~)) 2023-2025 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the connecting Washington account to the ((~~motor vehicle fund~~)) move ahead WA account.

**Sec.**  RCW 70A.65.240 and 2022 c 182 s 101 are each amended to read as follows:

(1) The carbon emissions reduction account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account are intended to affect reductions in transportation sector carbon emissions through a variety of carbon reducing investments. These can include, but are not limited to: Transportation alternatives to single occupancy passenger vehicles; reductions in single occupancy passenger vehicle miles traveled; reductions in per mile emissions in vehicles, including through the funding of alternative fuel infrastructure and incentive programs; and emission reduction programs for freight transportation, including motor vehicles and rail, as well as for ferries and other maritime and port activities. Expenditures from the account may only be made for transportation carbon emission reducing purposes and may not be made for highway purposes authorized under the 18th Amendment of the Washington state Constitution, other than specified in this section, and shall be made in accordance with subsection (2) of this section. It is the legislature's intent that expenditures from the account used to reduce carbon emissions be made with the goal of achieving equity for communities that historically have been omitted or adversely impacted by past transportation policies and practices.

(2) Appropriations in an omnibus transportation appropriations act from the carbon emissions reduction account shall be made exclusively to fund the following activities:

(a) Active transportation;

(b) Transit programs and projects;

(c) Alternative fuel and electrification;

(d) Ferries; and

(e) Rail.

(3) During the 2023-2025 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the carbon emissions reduction account to the multimodal transportation account.

**Sec.**  RCW 46.68.520 and 2022 c 182 s 402 are each amended to read as follows:

The move ahead WA flexible 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 transportation projects, programs, or activities identified as move ahead WA projects, programs, or activities in an omnibus transportation appropriations act. During the 2023-2025 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the move ahead WA flexible account to the Puget Sound ferry operations account and the motor vehicle fund.

**Sec.**  RCW 46.68.280 and 2019 c 416 s 706 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 and the 2019-2021~~)) 2023-2025 fiscal ((~~biennia~~)) 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, the Puget Sound capital construction account, and the Tacoma Narrows toll bridge~~)) state patrol highway account.

((~~(4)~~)) (3) The "nickel account" means the transportation 2003 account.

NEW SECTION. **Sec.**  Appropriations in this act from the carbon emissions reduction account, climate transit programs account, and climate active transportation account are subject to the requirements of RCW 70A.65.030.

NEW SECTION. **Sec.**  **OFFICE SPACE USE REDUCTION.**

(1) In response to the COVID-19 pandemic, Washington state agencies rapidly implemented telework for employees whose job duties did not require on-site presence. This shift in state government operations has led to agencies' reevaluation of the amount of physical office space they will require as they implement hybrid work environments and adopt expanded telework  opportunities.

(2) To meet the goal of efficient use of state funds and office space, state agencies, institutions of higher education, and separately elected officials must adhere to the office of financial management's statewide space use policy, data integrity and system access policy, inventory policy, and the human resource management system data validation guide to ensure space use data is complete, accurate, and consistent for reporting and analysis.

(3) Institutions of higher education and separately elected officials with leases expiring in fiscal years 2024 and 2025 must work toward reducing leased office space a minimum of 20 percent upon lease renewal or when requesting office relocation.  Reductions in lease costs will be reflected in subsequent budgets.

(4) It is the intent of the legislature that agencies, institutions of higher education, and separately elected officials with leases expiring in fiscal years 2026 and 2027 work to reduce their office space portfolio a minimum of 30 percent upon lease renewal or when requesting office relocation.  The reductions in costs will be reflected in subsequent budgets.

(5) Agencies must complete the following:

(a) Work with the office of financial management facilities oversight and the department of enterprise services to backfill office space and reduce full leases.

(b) Update monthly the office of financial management's facilities portfolio management tool to maximize collocation opportunities and better inform decision-making.

(c) Update telework and employee location data monthly in the human resource management system to reflect office space use and needs.

(d) Maintain a telework policy in accordance with executive order 16-07, building a modern work environment.

(6) The anticipated general fund savings from office space reduction in fiscal years 2024 and 2025 is $5,260,000.

(7) The anticipated general fund savings from office space reduction in fiscal years 2026 and 2027 is $14,557,000.

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

**--- END ---**