
HOUSE BILL 1125

State of Washington

68th Legislature

2023 Regular Session

By Representatives Fey, Lekanoff, Timmons, Paul, Wylie, and Donaghy;
by request of Office of Financial Management

Prefiled 01/04/23. Read first time 01/09/23. Referred to Committee
on Transportation.

1 AN ACT Relating to transportation funding and appropriations;
2 amending RCW 43.19.642, 46.20.745, 82.21.030, 47.66.120, 46.68.060,
3 46.68.290, 47.60.322, 46.68.395, 70A.65.240, 46.68.520, and
4 46.68.280; creating new sections; making appropriations and
5 authorizing expenditures for capital improvements; and declaring an
6 emergency.

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

8 **2023-2025 FISCAL BIENNIUM**

9 NEW SECTION. **Sec. 1.** (1) The transportation budget of the state
10 is hereby adopted and, subject to the provisions set forth, the
11 several amounts specified, or as much thereof as may be necessary to
12 accomplish the purposes designated, are hereby appropriated from the
13 several accounts and funds named to the designated state agencies and
14 offices for employee compensation and other expenses, for capital
15 projects, and for other specified purposes, including the payment of
16 any final judgments arising out of such activities, for the period
17 ending June 30, 2025.

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

- 1 (a) "Fiscal year 2024" or "FY 2024" means the fiscal year ending
 2 June 30, 2024.
- 3 (b) "Fiscal year 2025" or "FY 2025" means the fiscal year ending
 4 June 30, 2025.
- 5 (c) "FTE" means full-time equivalent.
- 6 (d) "Lapse" or "revert" means the amount shall return to an
 7 unappropriated status.
- 8 (e) "Provided solely" means the specified amount may be spent
 9 only for the specified purpose. Unless otherwise specifically
 10 authorized in this act, any portion of an amount provided solely for
 11 a specified purpose that is not expended subject to the specified
 12 conditions and limitations to fulfill the specified purpose shall
 13 lapse.
- 14 (f) "Reappropriation" means appropriation and, unless the context
 15 clearly provides otherwise, is subject to the relevant conditions and
 16 limitations applicable to appropriations.

17 **GENERAL GOVERNMENT AGENCIES—OPERATING**

18 NEW SECTION. **Sec. 101. FOR THE DEPARTMENT OF ARCHAEOLOGY AND**
 19 **HISTORIC PRESERVATION**

20 Motor Vehicle Account—State Appropriation. \$593,000

21 NEW SECTION. **Sec. 102. FOR THE UTILITIES AND TRANSPORTATION**
 22 **COMMISSION**

23 Grade Crossing Protective Account—State
 24 Appropriation. \$504,000
 25 Pilotage Account—State. \$150,000
 26 TOTAL APPROPRIATION. \$654,000

27 NEW SECTION. **Sec. 103. FOR THE OFFICE OF FINANCIAL MANAGEMENT**

28 Motor Vehicle Account—State Appropriation. \$222,000
 29 Puget Sound Ferry Operations Account—State
 30 Appropriation. \$133,000
 31 TOTAL APPROPRIATION. \$355,000

32 NEW SECTION. **Sec. 104. FOR THE STATE PARKS AND RECREATION**
 33 **COMMISSION**

34 Motor Vehicle Account—State Appropriation. \$1,186,000

1	<u>NEW SECTION.</u>	Sec. 105. FOR THE DEPARTMENT OF AGRICULTURE	
2	Motor Vehicle Account—State Appropriation.		\$1,482,000
3	<u>NEW SECTION.</u>	Sec. 106. FOR THE LEGISLATIVE EVALUATION AND	
4	ACCOUNTABILITY PROGRAM COMMITTEE		
5	Motor Vehicle Account—State Appropriation.		\$703,000
6	<u>NEW SECTION.</u>	Sec. 107. FOR THE OFFICE OF MINORITY AND WOMEN'S	
7	BUSINESS ENTERPRISES		
8	Move Ahead WA Flexible Account—State Appropriation.		\$2,000,000
9	The appropriation in this section is subject to the following		
10	conditions and limitations: The entire appropriation in this section		
11	is provided solely for increasing the number of certified women and		
12	minority-owned contractors in the transportation sector.		
13	<u>NEW SECTION.</u>	Sec. 108. FOR THE BOARD OF PILOTAGE COMMISSIONERS	
14	Pilotage Account—State Appropriation.		\$3,589,000
15	<u>NEW SECTION.</u>	Sec. 109. FOR THE OFFICE OF THE GOVERNOR	
16	State Patrol Highway Account—State Appropriation.		\$750,000
17	Motor Vehicle Account—State Appropriation.		\$460,000
18	TOTAL APPROPRIATION.		\$1,210,000

(End of part)

1 **TRANSPORTATION AGENCIES—OPERATING**

2 NEW SECTION. **Sec. 201. FOR THE WASHINGTON TRAFFIC SAFETY**
3 **COMMISSION**

4	Highway Safety Account—State Appropriation.	\$5,249,000
5	Highway Safety Account—Federal Appropriation.	\$27,819,000
6	Highway Safety Account—Private/Local Appropriation.	\$60,000
7	Cooper Jones Active Transportation Safety Account—	
8	State Appropriation.	\$400,000
9	School Zone Safety Account—State Appropriation.	\$850,000
10	TOTAL APPROPRIATION.	\$34,378,000

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

13 (1) \$400,000 of the Cooper Jones active transportation safety
14 account—state appropriation is provided solely for grant projects or
15 programs for bicycle, pedestrian, and nonmotorist safety improvement
16 administered by the commission in consultation with the Cooper Jones
17 active transportation safety council.

18 (2) \$485,000 of the highway safety account—state appropriation
19 and \$50,000 of the highway safety account—federal appropriation are
20 provided solely to develop a statewide public awareness campaign to
21 inform and educate Washington citizens about the slow down and move
22 over law, RCW 46.61.212. The educational campaign must include the
23 use of public service announcements and written and digital
24 informative and educational materials distributed by reasonable
25 means. The Washington traffic safety commission and the department of
26 licensing, working independently or in collaboration or both, shall
27 develop the public awareness campaign using any available resources,
28 as well as federal and other grant funds that may, from time to time,
29 become available for this purpose.

30 NEW SECTION. **Sec. 202. FOR THE COUNTY ROAD ADMINISTRATION BOARD**

31	Rural Arterial Trust Account—State Appropriation.	\$1,301,000
32	Motor Vehicle Account—State Appropriation.	\$3,656,000
33	County Arterial Preservation Account—State	
34	Appropriation.	\$1,926,000
35	TOTAL APPROPRIATION.	\$6,883,000

36 NEW SECTION. **Sec. 203. FOR THE TRANSPORTATION IMPROVEMENT BOARD**

1 Transportation Improvement Account—State
2 Appropriation. \$4,859,000

3 NEW SECTION. **Sec. 204. FOR THE JOINT TRANSPORTATION COMMITTEE**

4 Motor Vehicle Account—State Appropriation. \$1,682,000

5 NEW SECTION. **Sec. 205. FOR THE TRANSPORTATION COMMISSION**

6 Motor Vehicle Account—State Appropriation. \$3,253,000

7 Multimodal Transportation Account—State
8 Appropriation. \$565,000

9 TOTAL APPROPRIATION. \$3,818,000

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

14 NEW SECTION. **Sec. 206. FOR THE FREIGHT MOBILITY STRATEGIC**
15 **INVESTMENT BOARD**

16 Freight Mobility Investment Account—State
17 Appropriation. \$869,000

18 NEW SECTION. **Sec. 207. FOR THE WASHINGTON STATE PATROL**

19 Interstate 405 and State Route Number 167 Express
20 Toll Lanes Account—State Appropriation. \$10,000

21 State Patrol Highway Account—State Appropriation. \$671,107,000

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

23 State Patrol Highway Account—Private/Local
24 Appropriation. \$4,607,000

25 Highway Safety Account—State Appropriation. \$1,452,000

26 Ignition Interlock Device Revolving Account—State
27 Appropriation. \$1,976,000

28 Multimodal Transportation Account—State
29 Appropriation. \$320,000

30 TOTAL APPROPRIATION. \$699,930,000

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

33 (1) Washington state patrol officers engaged in off-duty
34 uniformed employment providing traffic control services to the

1 department of transportation or other state agencies may use state
2 patrol vehicles for the purpose of that employment, subject to
3 guidelines adopted by the chief of the Washington state patrol. The
4 Washington state patrol must be reimbursed for the use of the vehicle
5 at the prevailing state employee rate for mileage and hours of usage,
6 subject to guidelines developed by the chief of the Washington state
7 patrol.

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

- 12 (a) A summary of recruitment and retention strategies;
- 13 (b) The number of transportation funded staff vacancies by major
14 category;
- 15 (c) The number of applicants for each of the positions by these
16 categories;
- 17 (d) The composition of workforce;
- 18 (e) Other relevant outcome measures with comparative information
19 with recent comparable months in prior years; and
- 20 (f) Activities related to the implementation of the agency's
21 workforce diversity plan, including short-term and long-term,
22 specific comprehensive outreach and recruitment strategies to
23 increase populations underrepresented within both commissioned and
24 noncommissioned employee groups.

25 (3) \$510,000 of the ignition interlock device revolving account—
26 state appropriation is provided solely for the ignition interlock
27 program at the Washington state patrol to provide funding for two
28 staff to work and provide support for the program in working with
29 manufacturers, service centers, technicians, and participants in the
30 program.

31 **NEW SECTION. Sec. 208. FOR THE DEPARTMENT OF LICENSING**

32 Department of Licensing Technology Improvement and

33 Data Management Account—State Appropriation.	\$951,000
34 Driver Licensing Technology Support Account—State	
35 Appropriation.	\$1,743,000
36 Marine Fuel Tax Refund Account—State Appropriation.	\$34,000
37 Motorcycle Safety Education Account—State	
38 Appropriation.	\$5,324,000

1	Limited Fish and Wildlife Account—State	
2	Appropriation.	\$771,000
3	Highway Safety Account—State Appropriation.	\$286,088,000
4	Highway Safety Account—Federal Appropriation.	\$1,294,000
5	Motor Vehicle Account—State Appropriation.	\$101,460,000
6	Motor Vehicle Account—Private/Local Appropriation.	\$1,336,000
7	Ignition Interlock Device Revolving Account—State	
8	Appropriation.	\$6,417,000
9	Department of Licensing Services Account—State	
10	Appropriation.	\$9,183,000
11	License Plate Technology Account—State Appropriation	
12	\$4,259,000
13	Abandoned Recreational Vehicle Account—State	
14	Appropriation.	\$3,094,000
15	Limousine Carriers Account—State Appropriation.	\$126,000
16	Electric Vehicle Account—State Appropriation.	\$445,000
17	Agency Financial Transaction Account—State	
18	Appropriation.	\$18,894,000
19	Move Ahead WA Flexible Account—State Appropriation.	\$5,920,000
20	TOTAL APPROPRIATION.	\$447,339,000

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

23 (1) \$1,100,000 of the highway safety account—state appropriation
24 and \$1,100,000 of the move ahead WA flexible account—state
25 appropriation are provided solely for the department to provide an
26 interagency transfer to the department of social and health services,
27 children's administration division for the purpose of providing
28 driver's license support to a larger population of foster youth than
29 is already served within existing resources. Support services include
30 reimbursement of driver's license issuance costs, fees for driver
31 training education, and motor vehicle liability insurance costs.

32 (2) \$20,000 of the motorcycle safety education account—state
33 appropriation, \$2,000 of the limited fish and wildlife account—state
34 appropriation, \$1,228,000 of the highway safety account—state
35 appropriation, \$400,000 of the motor vehicle account—state
36 appropriation, \$18,000 of the ignition interlock device revolving
37 account—state appropriation, and \$18,000 of the department of
38 licensing services account—state appropriation are provided solely

1 for the department to redesign and improve its online services and
2 website, and are subject to the conditions, limitations, and review
3 requirements of section 701 of this act.

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

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

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

15 NEW SECTION. **Sec. 209. FOR THE DEPARTMENT OF TRANSPORTATION—**
16 **TOLL OPERATIONS AND MAINTENANCE—PROGRAM B**

17	State Route Number 520 Corridor Account—State	
18	Appropriation.	\$58,910,000
19	State Route Number 520 Civil Penalties Account—State	
20	Appropriation.	\$4,178,000
21	Tacoma Narrows Toll Bridge Account—State	
22	Appropriation.	\$30,773,000
23	Alaskan Way Viaduct Replacement Project Account—	
24	State Appropriation.	\$20,750,000
25	Interstate 405 and State Route Number 167 Express	
26	Toll Lanes Account—State Appropriation.	\$23,781,000
27	TOTAL APPROPRIATION.	\$138,392,000

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

30 (1) \$1,300,000 of the Tacoma Narrows toll bridge account—state
31 appropriation and \$12,484,000 of the state route number 520 corridor
32 account—state appropriation are provided solely for the purposes of
33 addressing unforeseen operations and maintenance costs on the Tacoma
34 Narrows bridge and the state route number 520 bridge, respectively.
35 The office of financial management shall place the amounts provided
36 in this subsection, which represent a portion of the required minimum
37 fund balance under the policy of the state treasurer, in unallotted
38 status. The office may release the funds only when it determines that

1 all other funds designated for operations and maintenance purposes
2 have been exhausted.

3 (2) As long as the facility is tolled, the department must
4 provide annual reports to the transportation committees of the
5 legislature on the Interstate 405 express toll lane project
6 performance measures listed in RCW 47.56.880(4). These reports must
7 include:

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

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

21 (3) \$314,000 of the Interstate 405 and state route number 167
22 express toll lanes account—state appropriation, \$734,000 of the state
23 route number 520 corridor account—state appropriation, \$315,000 of
24 the Tacoma Narrows toll bridge account—state appropriation, and
25 \$413,000 of the Alaskan Way viaduct replacement project account—state
26 appropriation are provided solely for the reappropriation of unspent
27 funds on the new tolling back office system from the 2021-2023
28 biennium.

29 (5) The department shall make detailed annual reports to the
30 transportation committees of the legislature and the public on the
31 department's website on the following:

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

36 (b) The nonvendor costs of administering toll operations,
37 including the costs of staffing the division, consultants, and other
38 personal service contracts required for technical oversight and
39 management assistance, insurance, payments related to credit card

1 processing, transponder purchases and inventory management, facility
2 operations and maintenance, and other miscellaneous nonvendor costs;

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

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

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

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

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

14 (iv) Workload costs related to hearings;

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

16 (vi) Revenues generated from notices of civil penalty; and

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

20 (6) \$2,584,000 of the state route number 520 corridor account—
21 state appropriation and \$432,000 of the Tacoma Narrows toll bridge
22 account—state appropriation are provided solely for the increased
23 costs of insurance for the state route number 520 floating bridge and
24 the Tacoma Narrows bridge, respectively.

25 NEW SECTION. **Sec. 210. FOR THE DEPARTMENT OF TRANSPORTATION—**
26 **INFORMATION TECHNOLOGY—PROGRAM C**

27	Transportation Partnership Account—State	
28	Appropriation.	\$1,494,000
29	Motor Vehicle Account—State Appropriation.	\$126,501,000
30	Puget Sound Ferry Operations Account—State	
31	Appropriation.	\$307,000
32	Multimodal Transportation Account—State	
33	Appropriation.	\$2,986,000
34	Transportation 2003 Account (Nickel Account)—State	
35	Appropriation.	\$1,488,000
36	TOTAL APPROPRIATION.	\$132,776,000

1	Appropriation.	\$758,000
2	Natural Climate Solutions Account—State	
3	Appropriation.	\$93,000
4	TOTAL APPROPRIATION.	\$69,950,000

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

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

17 (2) \$410,000 of the motor vehicle account—state appropriation is
18 provided solely for the implementation of chapter 217, Laws of 2021
19 (noxious weeds).

20 (3) The department shall offer to sell the northern parcel of
21 site 14 on the Puget Sound Gateway Program SR 509 Completion Project
22 Surplus Property list, located immediately south of S. 216th Street
23 and adjacent to the Barnes Creek Nature Trail in Des Moines, to
24 Seattle Goodwill Industries, a nonprofit organization with tax ID
25 91-05688708, located at 700 Dearborn Place S., Seattle, WA 98144, in
26 accordance with RCW 47.12.063 at fair market value because the
27 legislature finds it in the public interest to do so for the public
28 benefit that will result from Goodwill's redevelopment of the
29 property it owns at Rainier Ave. South and South Dearborn Street to
30 increase the supply of affordable housing.

31 NEW SECTION. **Sec. 215. FOR THE DEPARTMENT OF TRANSPORTATION—**
32 **PUBLIC-PRIVATE PARTNERSHIPS—PROGRAM K**

33	Motor Vehicle Account—State Appropriation.	\$741,000
34	Electric Vehicle Account—State Appropriation.	\$8,425,000
35	Multimodal Transportation Account—State	
36	Appropriation.	\$4,400,000
37	Multimodal Transportation Account—Federal	
38	Appropriation.	\$25,000,000

1 TOTAL APPROPRIATION. \$38,566,000

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

8 NEW SECTION. **Sec. 216. FOR THE DEPARTMENT OF TRANSPORTATION—**
9 **HIGHWAY MAINTENANCE—PROGRAM M**

10 Motor Vehicle Account—State Appropriation. \$588,538,000
11 Motor Vehicle Account—Federal Appropriation. \$7,000,000
12 Move Ahead WA Account—State Appropriation. \$80,200,000
13 State Route Number 520 Corridor Account—State
14 Appropriation. \$4,723,000
15 Tacoma Narrows Toll Bridge Account—State
16 Appropriation. \$1,585,000
17 Alaskan Way Viaduct Replacement Project Account—
18 State Appropriation. \$8,752,000
19 Interstate 405 and State Route Number 167 Express
20 Toll Lanes Account—State Appropriation. \$2,624,000
21 TOTAL APPROPRIATION. \$693,422,000

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

24 (1) \$7,844,000 of the motor vehicle account—state appropriation
25 is provided solely for utility fees assessed by local governments as
26 authorized under RCW 90.03.525 for the mitigation of stormwater
27 runoff from state highways.

28 (2) \$5,000,000 of the motor vehicle account—state appropriation
29 is provided solely for a contingency pool for snow and ice removal.
30 The department must notify the office of financial management and the
31 transportation committees of the legislature when they have spent the
32 base budget for snow and ice removal and will begin using the
33 contingency pool funding.

34 (3) \$10,040,000 of the motor vehicle account—state appropriation
35 is provided solely for the department to address safety improvements
36 and debris clean up on department-owned rights-of-way from
37 encampments of people living on such rights-of-way. Of the amounts

1 provided in this subsection, \$500,000 is provided for the department
2 to contract with the Washington state patrol for support of the
3 department's activities as needed.

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

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

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

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

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

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

23 (4) \$115,000 of the state route number 520 corridor account—state
24 appropriation is provided solely for an interagency maintenance
25 agreement with local jurisdictions to address the ongoing facility
26 and landscape maintenance of the three state route number 520
27 eastside lids and surrounding areas at the Evergreen Point Road, 84th
28 Avenue NE, and 92nd Avenue NE. The agreement shall include a defined
29 amount of state funding contribution for landscape maintenance on the
30 three lids not to exceed state contributions to other jurisdictions
31 for similar shared facilities.

32 NEW SECTION. **Sec. 217. FOR THE DEPARTMENT OF TRANSPORTATION—**
33 **TRAFFIC OPERATIONS—PROGRAM Q—OPERATING**

34	Motor Vehicle Account—State Appropriation.	\$89,799,000
35	Motor Vehicle Account—Federal Appropriation.	\$2,050,000
36	Motor Vehicle Account—Private/Local Appropriation.	\$294,000
37	Move Ahead WA Account—State Appropriation.	\$3,700,000
38	Multimodal Transportation Account—State	

1	Appropriation.	\$5,000,000
2	State Route Number 520 Corridor Account—State	
3	Appropriation.	\$175,000
4	Alaskan Way Viaduct Replacement Project Account—	
5	State Appropriation.	\$1,080,000
6	TOTAL APPROPRIATION.	\$102,098,000

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

9 (1) \$6,000,000 of the motor vehicle account—state appropriation
10 is provided solely for low-cost enhancements. The department shall
11 give priority to low-cost enhancement projects that improve safety or
12 provide congestion relief. By December 15th of each odd-numbered
13 year, the department shall provide a report to the legislature
14 listing all low-cost enhancement projects completed in the prior
15 fiscal biennium.

16 (2) (a) During the 2023-2025 fiscal biennium, the department shall
17 continue a pilot program that expands private transportation
18 providers' access to high occupancy vehicle lanes. Under the pilot
19 program, when the department reserves a portion of a highway based on
20 the number of passengers in a vehicle, the following vehicles must be
21 authorized to use the reserved portion of the highway if the vehicle
22 has the capacity to carry eight or more passengers, regardless of the
23 number of passengers in the vehicle: (i) Auto transportation company
24 vehicles regulated under chapter 81.68 RCW; (ii) passenger charter
25 carrier vehicles regulated under chapter 81.70 RCW, except marked or
26 unmarked stretch limousines and stretch sport utility vehicles as
27 defined under department of licensing rules; (iii) private nonprofit
28 transportation provider vehicles regulated under chapter 81.66 RCW;
29 and (iv) private employer transportation service vehicles. For
30 purposes of this subsection, "private employer transportation
31 service" means regularly scheduled, fixed-route transportation
32 service that is offered by an employer for the benefit of its
33 employees. Nothing in this subsection is intended to authorize the
34 conversion of public infrastructure to private, for-profit purposes
35 or to otherwise create an entitlement or other claim by private users
36 to public infrastructure.

37 (b) The department shall expand the high occupancy vehicle lane
38 access pilot program to vehicles that deliver or collect blood,
39 tissue, or blood components for a blood-collecting or distributing

1 establishment regulated under chapter 70.335 RCW. Under the pilot
2 program, when the department reserves a portion of a highway based on
3 the number of passengers in a vehicle, blood-collecting or
4 distributing establishment vehicles that are clearly and identifiably
5 marked as such on all sides of the vehicle are considered emergency
6 vehicles and must be authorized to use the reserved portion of the
7 highway.

8 (c) The department shall expand the high occupancy vehicle lane
9 access pilot program to organ transport vehicles transporting a time
10 urgent organ for an organ procurement organization as defined in RCW
11 68.64.010. Under the pilot program, when the department reserves a
12 portion of a highway based on the number of passengers in a vehicle,
13 organ transport vehicles that are clearly and identifiably marked as
14 such on all sides of the vehicle are considered emergency vehicles
15 and must be authorized to use the reserved portion of the highway.

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

26 (e) The department shall expand the high occupancy vehicle lane
27 access pilot program to for hire nonemergency medical transportation
28 vehicles, when in use for medical purposes, as described in section
29 208, chapter 333, Laws of 2021. Under the pilot program, when the
30 department reserves a portion of a highway based on the number of
31 passengers in a vehicle, nonemergency medical transportation vehicles
32 that meet the requirements identified in section 208, chapter 333,
33 Laws of 2021 must be authorized to use the reserved portion of the
34 highway.

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

38 (3) The appropriations in this section assume implementation of
39 additional cost recovery mechanisms to recoup at least \$100,000 in
40 credit card and other financial transaction costs related to the

1 collection of fees imposed under RCW 46.44.0941 for driver and
2 vehicle fee transactions beginning July 1, 2023. The department may
3 recover transaction fees incurred through credit card transactions.
4 The department shall notify the office of the state treasurer of
5 these amounts and the state treasurer must deposit these revenues in
6 the agency financial transaction account created in RCW 46.01.385 on
7 a quarterly basis.

8 (4) \$5,000,000 of the multimodal transportation account—state
9 appropriation is provided solely for the department to address
10 emergent issues related to safety for pedestrians and bicyclists.
11 Funds may only be spent after approval from the office of financial
12 management.

13 NEW SECTION. **Sec. 218. FOR THE DEPARTMENT OF TRANSPORTATION—**
14 **TRANSPORTATION MANAGEMENT AND SUPPORT—PROGRAM S**

15	Motor Vehicle Account—State Appropriation.	\$66,045,000
16	Motor Vehicle Account—Federal Appropriation.	\$780,000
17	Motor Vehicle Account—Private/Local Appropriation.	\$500,000
18	Move Ahead WA Flexible Account—State Appropriation.	\$6,400,000
19	Puget Sound Ferry Operations Account—State	
20	Appropriation.	\$517,000
21	Multimodal Transportation Account—State	
22	Appropriation.	\$22,323,000
23	TOTAL APPROPRIATION.	\$96,565,000

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

26 (1) \$2,000,000 of the multimodal transportation account—state
27 appropriation and \$2,400,000 of the move ahead WA flexible account—
28 state appropriation are provided solely for the preapprenticeship
29 support services (PASS) program, which aims to increase diversity in
30 the highway construction workforce and prepare individuals interested
31 in entering the highway construction workforce.

32 (2) \$3,000,000 of the move ahead WA flexible account—state
33 appropriation is provided solely for expansion of the PASS program to
34 support apprenticeships and workforce development in the maritime
35 industry through preapprenticeship training for inland waterways
36 trades and support services to obtain necessary documents and coast
37 guard certification.

1 (3) \$21,195,000 of the motor vehicle account—state appropriation
2 and \$21,194,000 of the multimodal account—state appropriation are
3 provided solely for the department to upgrade the transportation
4 reporting and accounting information system to the current cloud
5 version of the software, and is subject to the conditions,
6 limitations, and review requirements of section 701 of this act.

7 NEW SECTION. **Sec. 219. FOR THE DEPARTMENT OF TRANSPORTATION—**
8 **TRANSPORTATION PLANNING, DATA, AND RESEARCH—PROGRAM T**

9	Motor Vehicle Account—State Appropriation.	\$35,179,000
10	Motor Vehicle Account—Federal Appropriation.	\$30,785,000
11	Motor Vehicle Account—Private/Local Appropriation.	\$400,000
12	Move Ahead WA Flexible Account—State Appropriation.	\$11,922,000
13	Multimodal Transportation Account—State	
14	Appropriation.	\$3,108,000
15	Multimodal Transportation Account—Federal	
16	Appropriation.	\$2,809,000
17	Multimodal Transportation Account—Private/Local	
18	Appropriation.	\$100,000
19	Climate Commitment Account—State Appropriation.	\$500,000
20	TOTAL APPROPRIATION.	\$84,803,000

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

23 (1) \$1,750,000 of the multimodal transportation account—state
24 appropriation is provided solely for the department to partner with
25 the department of commerce and regional transportation planning
26 organizations in implementing vehicle miles traveled targets and
27 supporting actions. The department and the department of commerce
28 shall partner with local jurisdictions, regional transportation
29 planning organizations, and other stakeholders to determine the level
30 of vehicle miles of travel reduction needed to meet state goals for
31 greenhouse gas emissions above what will already be achieved by
32 vehicle electrification. Vehicle miles traveled reductions targets
33 and actions to meet those targets will be set by region for those
34 regions who opt to pilot the new process. The department shall
35 provide technical assistance to local partners in developing targets,
36 conducting modeling and analysis, identifying appropriate strategies
37 to meet targets, and conducting outreach. The department will build
38 on the recommendations developed per the vehicle miles traveled

1 budget proviso in section 219(3), chapter 186, Laws of 2022. As part
2 of target setting, important factors that shall be considered include
3 land use patterns, safety, and vulnerable populations. The department
4 shall provide an interim report by June 30, 2024, and a final report
5 by June 30, 2025.

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

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

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

24 (3) \$400,000 of the multimodal transportation account—state
25 appropriation is provided solely for the city of Seattle's office of
26 planning and community development to support an equitable
27 development initiative to reconnect the South Park neighborhood,
28 currently divided by state route number 99.

29 (a) The support work must include:

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

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

37 (b) The support work must be conducted in coordination and
38 partnership with neighborhood residents, neighborhood industrial and
39 commercial representatives, the state department of transportation,

1 and other entities and neighborhoods potentially impacted by changes
2 to the operation of state route number 99.

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

7 NEW SECTION. **Sec. 220. FOR THE DEPARTMENT OF TRANSPORTATION—**
8 **CHARGES FROM OTHER AGENCIES—PROGRAM U**

9	Aeronautics Account—State Appropriation.	\$1,000
10	Transportation Partnership Account—State	
11	Appropriation.	\$25,000
12	Motor Vehicle Account—State Appropriation.	\$117,374,000
13	Puget Sound Ferry Operations Account—State	
14	Appropriation.	\$244,000
15	State Route Number 520 Corridor Account—State	
16	Appropriation.	\$4,000
17	Connecting Washington Account—State Appropriation.	\$203,000
18	Multimodal Transportation Account—State	
19	Appropriation.	\$6,194,000
20	Tacoma Narrows Toll Bridge Account—State	
21	Appropriation.	\$2,000
22	Interstate 405 and State Route Number 167 Express	
23	Toll Lanes Account—State Appropriation.	\$6,000
24	TOTAL APPROPRIATION.	\$124,053,000

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

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

33 (2) Beginning October 1, 2023, and semiannually thereafter, the
34 department, in conjunction with the attorney general and the
35 department of enterprise services, shall provide a report with
36 judgments and settlements dealing with the Washington state ferry
37 system to the director of the office of financial management and the
38 transportation committees of the legislature. The report must include

1 information on: (a) The number of claims and settlements by type; (b)
2 the average claim and settlement by type; (c) defense costs
3 associated with those claims and settlements; and (d) information on
4 the impacts of moving legal costs associated with the Washington
5 state ferry system into the statewide self-insurance pool.

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

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

20 NEW SECTION. **Sec. 221. FOR THE DEPARTMENT OF TRANSPORTATION—**
21 **PUBLIC TRANSPORTATION—PROGRAM V**

22	Carbon Emissions Reduction Account—State	
23	Appropriation.	\$98,875,000
24	Climate Transit Programs Account—State Appropriation.	\$405,020,000
25	State Vehicle Parking Account—State Appropriation.	\$784,000
26	Regional Mobility Grant Program Account—State	
27	Appropriation.	\$113,300,000
28	Rural Mobility Grant Program Account—State	
29	Appropriation.	\$32,774,000
30	Multimodal Transportation Account—State	
31	Appropriation.	\$123,143,000
32	Multimodal Transportation Account—Federal	
33	Appropriation.	\$3,574,000
34	Multimodal Transportation Account—Local	
35	Appropriation.	\$100,000
36	TOTAL APPROPRIATION.	\$777,570,000

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

1 (1) \$64,354,000 of the multimodal transportation account—state
2 appropriation is provided solely for a grant program for special
3 needs transportation provided by transit agencies and nonprofit
4 providers of transportation. Of this amount:

5 (a) \$14,801,000 of the multimodal transportation account—state
6 appropriation is provided solely for grants to nonprofit providers of
7 special needs transportation. Grants for nonprofit providers must be
8 based on need, including the availability of other providers of
9 service in the area, efforts to coordinate trips among providers and
10 riders, and the cost effectiveness of trips provided.

11 (b) \$49,553,000 of the multimodal transportation account—state
12 appropriation is provided solely for grants to transit agencies to
13 transport persons with special transportation needs. To receive a
14 grant, the transit agency must, to the greatest extent practicable,
15 have a maintenance of effort for special needs transportation that is
16 no less than the previous year's maintenance of effort for special
17 needs transportation. Grants for transit agencies must be prorated
18 based on the amount expended for demand response service and route
19 deviated service in calendar year 2019 as reported in the "Summary of
20 Public Transportation - 2019" published by the department of
21 transportation. No transit agency may receive more than 30 percent of
22 these distributions.

23 (2) \$32,774,000 of the rural mobility grant program account—state
24 appropriation is provided solely for grants to aid small cities in
25 rural areas as prescribed in RCW 47.66.100.

26 (3) \$11,262,000 of the multimodal transportation account—state
27 appropriation is provided solely for a public transit rideshare grant
28 program for: (a) Public transit agencies to add or replace rideshare
29 vehicles; and (b) incentives and outreach to increase rideshare use.
30 The grant program for public transit agencies may cover capital costs
31 only; operating costs for public transit agencies are not eligible
32 for funding under this grant program. Additional employees may not be
33 hired from the funds provided in this section for the vanpool grant
34 program, and supplanting of transit funds currently funding vanpools
35 is not allowed. The department shall encourage grant applicants and
36 recipients to leverage funds other than state funds.

37 (4) \$35,622,000 of the regional mobility grant program account—
38 state appropriation is reappropriated and provided solely for the
39 regional mobility grant projects identified in OFM Transportation

1 Document 2023-1: Proposed Transportation Project List as developed
2 December 14, 2022, Public Transportation Program (V).

3 (5) (a) \$77,679,000 of the regional mobility grant program account
4 —state appropriation is provided solely for the regional mobility
5 grant projects identified in OFM Transportation Document 2023-1:
6 Proposed Transportation Project List as developed December 14, 2022,
7 Public Transportation Program (V). The department shall review all
8 projects receiving grant awards under this program at least
9 semiannually to determine whether the projects are making
10 satisfactory progress. Any project that has been awarded funds, but
11 does not report activity on the project within one year of the grant
12 award, must be reviewed by the department to determine whether the
13 grant should be terminated. The department shall promptly close out
14 grants when projects have been completed, and any remaining funds
15 must be used only to fund projects identified in the OFM
16 transportation document referenced in this subsection. The department
17 shall provide annual status reports on December 1, 2023, and December
18 1, 2024 to the office of financial management and the transportation
19 committees of the legislature regarding the projects receiving the
20 grants. It is the intent of the legislature to appropriate funds
21 through the regional mobility grant program only for projects that
22 will be completed on schedule. A grantee may not receive more than 25
23 percent of the amount appropriated in this subsection unless all
24 other funding is awarded. Additionally, when allocating funding for
25 the 2023-2025 biennium, no more than 30 percent of the total grant
26 program may directly benefit or support one grantee unless all other
27 funding is awarded. The department shall not approve any increases or
28 changes to the scope of a project for the purpose of a grantee
29 expending remaining funds on an awarded grant.

30 (b) In order to be eligible to receive a grant under (a) of this
31 subsection during the 2023-2025 fiscal biennium, a transit agency
32 must establish a process for private transportation providers to
33 apply for the use of park and ride facilities. For purposes of this
34 subsection, (i) "private transportation provider" means: An auto
35 transportation company regulated under chapter 81.68 RCW; a passenger
36 charter carrier regulated under chapter 81.70 RCW, except marked or
37 unmarked stretch limousines and stretch sport utility vehicles as
38 defined under department of licensing rules; a private nonprofit
39 transportation provider regulated under chapter 81.66 RCW; or a
40 private employer transportation service provider; and (ii) "private

1 employer transportation service" means regularly scheduled, fixed-
2 route transportation service that is offered by an employer for the
3 benefit of its employees.

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

7 (7) \$6,195,000 of the multimodal transportation account—state
8 appropriation and \$784,000 of the state vehicle parking account—state
9 appropriation are provided solely for commute trip reduction (CTR)
10 grants and activities. Of this amount:

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

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

31 (8) Except as provided otherwise in this subsection, \$11,914,000
32 of the multimodal transportation account—state appropriation is
33 provided solely for connecting Washington transit projects identified
34 in OFM Transportation Document 2023-1: Proposed Transportation
35 Project List as developed December 14, 2022. Entities identified to
36 receive funding in the OFM document referenced in this subsection
37 shall receive the amounts specified in the time frame specified in
38 that OFM document. If an entity has already completed a project in
39 the OFM document referenced in this subsection before the time frame

1 identified, the entity may substitute another transit project or
2 projects that cost a similar or lesser amount.

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

5 (10) \$16,407,000 of the multimodal transportation account—state
6 appropriation and \$36,580,000 climate transit programs account—state
7 appropriation is provided solely for the green transportation capital
8 grant program established in chapter 287, Laws of 2019 (advancing
9 green transportation adoption). Funding can be provided for planning
10 activities associated with the development of transition plans and
11 conversion of infrastructure and fleets to electric and other fuel
12 alternatives.

13 (11) \$83,250,000 of the carbon emissions reduction account—state
14 appropriation is provided solely for the department, in consultation
15 with the department of commerce and the department of ecology, to
16 develop a medium and heavy duty vehicle decarbonization incentive
17 grant program. Funds shall be used to provide incentives to
18 transition to zero-emissions medium and heavy duty vehicles, as well
19 as funding for charging or fueling infrastructure. Eligible
20 recipients include, but are not limited to, independent medium and
21 heavy duty vehicle operators, ports, cities, counties, state
22 agencies, or public transportation providers. The department shall
23 engage stakeholders, and consult with the environmental justice
24 council and the interagency electric vehicle coordinating council
25 when developing the program. The program must include a requirement
26 for greenhouse gas emissions reduction outcome measurements and must
27 be consistent with the interagency electric vehicle coordinating
28 council transportation electrification strategy recommendations on
29 medium and heavy duty vehicles to the extent such recommendations are
30 available. The department may use up to 10 percent of the
31 appropriation to develop, implement, administer, and conduct public
32 outreach and program evaluation.

33 (12) \$15,625,000 of the carbon emissions reduction account—state
34 appropriation is provided solely for the department to develop an
35 innovative transportation carbon emissions reduction demonstration
36 grant program. Eligible grant recipients include, but are not limited
37 to, cities, counties, ports, and public transportation providers. The
38 department shall engage stakeholders, and consult with the
39 environmental justice council and the interagency electric vehicle

1 coordinating council when developing the program. The program must
2 include a requirement for greenhouse gas emissions reduction outcome
3 measurements and must be consistent with the interagency electric
4 vehicle coordinating council transportation electrification strategy
5 to the extent possible. The department may use up to 10 percent of
6 the appropriation to develop, implement, administer, and conduct
7 public outreach and program evaluation.

8 NEW SECTION. **Sec. 222. FOR THE DEPARTMENT OF TRANSPORTATION—**

9 **MARINE—PROGRAM X**

10	Puget Sound Ferry Operations Account—State	
11	Appropriation.	\$706,064,000
12	Puget Sound Ferry Operations Account—Federal	
13	Appropriation.	\$54,854,000
14	Puget Sound Ferry Operations Account—Private/Local	
15	Appropriation.	\$121,000
16	TOTAL APPROPRIATION.	\$761,039,000

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

19 (1) The office of financial management budget instructions
20 require agencies to recast enacted budgets into activities. The
21 Washington state ferries shall include a greater level of detail in
22 its 2023-2025 supplemental and 2025-2027 omnibus transportation
23 appropriations act requests, as determined jointly by the office of
24 financial management, the Washington state ferries, and the
25 transportation committees of the legislature. This level of detail
26 must include the administrative functions in the operating as well as
27 capital programs. The data in the tables in the report must be
28 supplied in a digital file format.

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

33 (3) \$29,891,000 of the Puget Sound ferry operations account—
34 federal appropriation and \$86,947,000 of the Puget Sound ferry
35 operations account—state appropriation are for auto ferry vessel
36 operating fuel in the 2023-2025 fiscal biennium, which reflect cost
37 savings from a reduced biodiesel fuel requirement and, therefore, are
38 contingent upon the enactment of section 702 of this act. The amount

1 provided in this subsection represents the fuel budget for the
2 purposes of calculating any ferry fare fuel surcharge. The department
3 shall review future use of alternative fuels and dual fuel
4 configurations, including hydrogen.

5 (4) \$500,000 of the Puget Sound ferry operations account—state
6 appropriation is provided solely for operating costs related to
7 moving vessels for emergency capital repairs. Funds may only be spent
8 after approval by the office of financial management.

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

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

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

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

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

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

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

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

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

33 (9) By December 1, 2024, the department must report on the status
34 of efforts to increase training and development opportunities for
35 employees. The report must include a description of the new training
36 and career advancement programs for able-bodied sailors, mates, and
37 engineers; the numbers of employees participating in each program;
38 the number of employees completing each program; the number of open
39 positions that the program is designed to fill; and the anticipated
40 number of employee promotions as a result of program completion. The

1 department must provide the report to the office of financial
2 management and the transportation committees of the legislature.

3 (10) \$93,000 of the Puget Sound ferry operations account—state
4 appropriation is provided solely for Washington state ferries to
5 partner with local community colleges and universities to secure
6 housing for workforce training sessions and to pay in advance for the
7 costs of transportation worker identification credentials for
8 incoming ferry system employees and trainees.

9 NEW SECTION. **Sec. 223. FOR THE DEPARTMENT OF TRANSPORTATION—**

10 **RAIL—PROGRAM Y—OPERATING**

11 Carbon Emissions Reduction Account—State

12	Appropriation.	\$2,250,000
13	Motor Vehicle Fund—State Appropriation.	\$5,000,000
14	Multimodal Transportation Account—State	
15	Appropriation.	\$86,296,000
16	Multimodal Transportation Account—Private/Local	
17	Appropriation.	\$46,000
18	TOTAL APPROPRIATION.	\$93,592,000

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

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

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

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

13 (i) Existing volumes and traffic patterns;

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

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

21 (iv) Identification of rail line development options;

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

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

27 (b) The department shall provide a final report to the governor
28 and the transportation committees of the legislature by December 31,
29 2024.

30 (4) \$2,300,000 of the multimodal transportation account—state
31 appropriation is provided solely for the department to implement
32 recommendations from the truck parking action plan and address truck
33 parking shortages. Of this amount:

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

37 (b) \$500,000 is provided solely to identify Washington state
38 department of transportation parcels that could be developed or
39 adapted for truck parking. The department shall work with the
40 department's real estate division and engage the truck parking

1 implementation workgroup and ports to develop criteria and location
2 analysis. Recommendations on Washington state department of
3 transportation parcels that could be developed or adapted for truck
4 parking are due to the governor and transportation committees of the
5 legislature June 30, 2024.

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

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

24 (5) \$50,000 of the multimodal transportation account—state
25 appropriation is provided solely to pursue discontinuance,
26 abandonment, and railbanking as defined by the surface transportation
27 board requirements of the Hooper branch of the PCC rail system from
28 Hooper at Sub MP 18.49 (north-west of State Street) to where it
29 terminates for future railbanking by a trail sponsor for the Chipman
30 Trail and the P and L branches of the PCC rail system from P and L MP
31 75.63 (near Kitzmiller Rd.) to MP 77.32 (near Johnson Road) located
32 within the Pullman city limits for department of transportation use
33 for filing fees, external subject matter support, and staff time.

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

1 NEW SECTION. **Sec. 224. FOR THE DEPARTMENT OF TRANSPORTATION—**

2 **LOCAL PROGRAMS—PROGRAM Z—OPERATING**

3	Motor Vehicle Account—State Appropriation.	\$35,647,000
4	Motor Vehicle Account—Federal Appropriation.	\$27,567,000
5	Multiuse Roadway Safety Account—State Appropriation.	\$450,000
6	Multimodal Transportation Account—State	
7	Appropriation.	\$500,000
8	TOTAL APPROPRIATION.	\$64,164,000

9 The appropriations in this section are subject to the following
10 conditions and limitations: The entire multiuse roadway safety
11 account—state appropriation is provided solely for grants under RCW
12 46.09.540, subject to the following limitations:

- 13 (1) Twenty-five percent of the amounts provided are reserved for
14 counties that each have a population of 15,000 persons or less;
- 15 (2) Seventy-five percent of the amounts provided are reserved for
16 counties that each have a population exceeding 15,000 persons; and
- 17 (3) No county that receives a grant or grants under subsection
18 (1) of this section may receive more than \$60,000 in total grants.

(End of part)

1 **TRANSPORTATION AGENCIES—CAPITAL**

2 **NEW SECTION. Sec. 301. FOR THE FREIGHT MOBILITY STRATEGIC**
3 **INVESTMENT BOARD**

4 Freight Mobility Investment Account—State
5 Appropriation. \$13,600,000
6 Freight Mobility Multimodal Account—State
7 Appropriation. \$15,900,000
8 TOTAL APPROPRIATION. \$29,500,000

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

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

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

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

28 (ii) Each transfer between projects may only occur if the
29 director of the office of financial management finds that any
30 resulting change will not hinder the completion of the projects in
31 OFM Transportation Document 2023-1: Proposed Transportation Project
32 List as developed December 14, 2022;

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

1 the chairs of the house of representatives and senate transportation
2 committees; and

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

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

9 (c) Before approval, the office of financial management shall
10 work with legislative staff of the house of representatives and
11 senate transportation committees to review the requested transfers in
12 a timely manner and consider any concerns raised by the chairs and
13 ranking members of the transportation committees.

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

19 NEW SECTION. **Sec. 302. FOR THE WASHINGTON STATE PATROL**
20 State Patrol Highway Account—State Appropriation. . . . \$8,338,000

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

23 (1) \$2,360,000 of the state patrol highway account—state
24 appropriation is provided solely for roof replacement.

25 (2) \$5,978,000 of the state patrol highway account—state
26 appropriation is provided solely for the following projects:

- 27 (a) \$500,000 is for emergency repairs;
- 28 (b) \$350,000 is for fuel tank decommissioning;
- 29 (c) \$503,000 is for generator and electrical replacement;
- 30 (d) \$704,000 is for the exterior envelope of the Yakima office;
- 31 (e) \$2,189,000 is for energy efficiency projects;
- 32 (f) \$1,157,000 is for pavement surface improvements;
- 33 (g) \$300,000 is for fire alarm panel replacement;
- 34 (h) \$75,000 is for predesign for Olympia 4th Ave. building; and
- 35 (i) \$200,000 is for training academy expansion.

36 (3) The Washington state patrol may transfer funds between
37 projects specified in subsection (2) of this section to address cash
38 flow requirements. If a project specified in subsection (2) of this

1 section is completed for less than the amount provided, the remainder
2 may be transferred to another project specified in subsection (2) of
3 this section not to exceed the total appropriation provided in
4 subsection (2) of this section.

5 NEW SECTION. **Sec. 303. FOR THE COUNTY ROAD ADMINISTRATION BOARD**

6	Move Ahead WA Account—State Appropriation.	\$10,000,000
7	Rural Arterial Trust Account—State Appropriation.	\$58,000,000
8	Motor Vehicle Account—State Appropriation.	\$2,456,000
9	County Arterial Preservation Account—State	
10	Appropriation.	\$37,678,000
11	TOTAL APPROPRIATION.	\$108,134,000

12 NEW SECTION. **Sec. 304. FOR THE TRANSPORTATION IMPROVEMENT BOARD**

13	Climate Active Transportation Account—State	
14	Appropriation.	\$19,067,000
15	Move Ahead WA Account—State Appropriation.	\$9,333,000
16	Small City Pavement and Sidewalk Account—State	
17	Appropriation.	\$3,975,000
18	Transportation Improvement Account—State	
19	Appropriation.	\$220,000,000
20	Complete Streets Grant Program Account—State	
21	Appropriation.	\$14,670,000
22	TOTAL APPROPRIATION.	\$267,045,000

23 NEW SECTION. **Sec. 305. FOR THE DEPARTMENT OF TRANSPORTATION—**
24 **FACILITIES—PROGRAM D—(DEPARTMENT OF TRANSPORTATION-ONLY PROJECTS)—**
25 **CAPITAL**

26	Motor Vehicle Account—State Appropriation.	\$36,216,000
27	Move Ahead WA Account—State Appropriation.	\$29,700,000
28	TOTAL APPROPRIATION.	\$65,916,000

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

31 (1) \$24,500,000 of the motor vehicle account—state appropriation
32 is provided solely for making improvements to facilities to meet the
33 Washington state clean buildings performance standard.

34 (2) (a) \$4,025,000 of the motor vehicle account—state
35 appropriation is provided solely for payments of a financing contract

1 issued pursuant to chapter 39.94 RCW for the department facility
2 located at 15700 Dayton Ave N in Shoreline.

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

7 NEW SECTION. **Sec. 306. FOR THE DEPARTMENT OF TRANSPORTATION—**
8 **IMPROVEMENTS—PROGRAM I**

9	Move Ahead WA Account—Private/Local Appropriation. . . .	\$137,500,000
10	Transportation 2003 Account (Nickel Account)—State	
11	Appropriation.	\$317,000
12	Transportation Partnership Account—State	
13	Appropriation.	\$35,043,000
14	Motor Vehicle Account—State Appropriation.	\$67,634,000
15	Motor Vehicle Account—Federal Appropriation.	\$388,370,000
16	Coronavirus State Fiscal Recovery Fund—Federal	
17	Appropriation.	\$300,000,000
18	Motor Vehicle Account—Private/Local Appropriation. . . .	\$45,853,000
19	Connecting Washington Account—State Appropriation. . .	\$1,325,048,000
20	Special Category C Account—State Appropriation.	\$119,218,000
21	Multimodal Transportation Account—State	
22	Appropriation.	\$6,229,000
23	State Route Number 520 Corridor Account—State	
24	Appropriation.	\$400,000
25	Interstate 405 and State Route Number 167 Express	
26	Toll Lanes Account—State Appropriation.	\$283,580,000
27	Move Ahead WA Account—State Appropriation.	\$194,922,000
28	Move Ahead WA Account—Federal Appropriation.	\$350,300,000
29	Alaskan Way Viaduct Replacement Project Account—	
30	State Appropriation.	\$23,794,000
31	Climate Active Transportation Account—State	
32	Appropriation.	\$2,000,000
33	TOTAL APPROPRIATION.	\$3,280,208,000

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

36 (1) Except as provided otherwise in this section, the entire
37 connecting Washington account—state appropriation, the entire move

1 ahead WA account—federal appropriation, the entire move ahead WA
2 account—state appropriation, and the entire transportation
3 partnership account—state appropriation are provided solely for the
4 projects and activities as listed by fund, project, and amount in OFM
5 Transportation Document 2023-1: Proposed Transportation Project List
6 as developed December 14, 2022, Highway Improvements Program (I).
7 However, limited transfers of specific line-item project
8 appropriations may occur between projects for those amounts listed
9 subject to the conditions and limitations in section 601 of this act.

10 (2) Except as provided otherwise in this section, the entire
11 motor vehicle account—state appropriation and motor vehicle account—
12 federal appropriation are provided solely for the projects and
13 activities listed in OFM Transportation Document 2023-1: Proposed
14 Transportation Project List as developed December 14, 2022, Highway
15 Improvements Program (I). Any federal funds gained through
16 efficiencies, adjustments to the federal funds forecast, or the
17 federal funds redistribution process must then be applied to highway
18 and bridge preservation activities or fish passage barrier
19 corrections (0BI4001).

20 (3) Within the motor vehicle account—state appropriation and
21 motor vehicle account—federal appropriation, the department may
22 transfer funds between programs I and P, except for funds that are
23 otherwise restricted in this act. Ten days prior to any transfer, the
24 department must submit its request to the office of financial
25 management and the transportation committees of the legislature and
26 consider any concerns raised. The department shall submit a report on
27 fiscal year funds transferred in the prior fiscal year using this
28 subsection as part of the department's annual budget submittal.

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

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

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

1 (7) \$23,794,000 of the Alaskan Way viaduct replacement project
2 account—state appropriation is provided solely for the SR 99/Alaskan
3 Way Viaduct Replacement project (809936Z).

4 (8) \$218,453,000 of the Interstate 405 and state route number 167
5 express toll lanes account—state appropriation is provided solely for
6 the I-405/SR 522 to I-5 Capacity Improvements project (L2000234), and
7 up to \$111,567,000 of the move ahead WA account—state appropriation
8 is for the project, for activities related to adding capacity on
9 Interstate 405 between state route number 522 and Interstate 5, with
10 the goals of increasing vehicle throughput and aligning project
11 completion with the implementation of bus rapid transit in the
12 vicinity of the project.

13 (9) \$394,963,000 of the connecting Washington account—state
14 appropriation and \$400,000 of the state route number 520 corridor
15 account—state appropriation are provided solely for the SR 520
16 Seattle Corridor Improvements - West End project (M00400R).

17 (10) \$427,616,000 of the connecting Washington account—state
18 appropriation, \$469,000 of the multimodal transportation account—
19 state appropriation, \$25,887,000 of the motor vehicle account—
20 private/local appropriation, \$20,800,000 of the move ahead WA account
21 —federal appropriation, and \$5,794,000 of the motor vehicle account—
22 federal appropriation are provided solely for the SR 167/SR 509 Puget
23 Sound Gateway project (M00600R), and up to \$116,547,000 of the move
24 ahead WA account—state appropriation is for the project.

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

27 (b) In making budget allocations to the Puget Sound Gateway
28 project, the department shall implement the project's construction as
29 a single corridor investment. The department shall continue to
30 collaborate with the affected stakeholders as it implements the
31 corridor construction and implementation plan for state route number
32 167 and state route number 509. Specific funding allocations must be
33 based on where and when specific project segments are ready for
34 construction to move forward and investments can be best optimized
35 for timely project completion. Emphasis must be placed on avoiding
36 gaps in fund expenditures for either project.

37 (c) It is the legislature's intent that the department shall
38 consult with the joint executive committee and joint steering
39 committee to determine the most appropriate interchange at the

1 junction of state route number 161 (Meridian avenue) and state route
2 number 167.

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

9 (e) Of the amounts provided in this subsection, \$2,500,000 of the
10 multimodal transportation account—state appropriation is provided
11 solely for segment 2 of the state route number 167 completion project
12 shared-use path to provide connections to the interchange of state
13 route number 167 at 54th to the intersection of state route number
14 509 and Taylor Way in Tacoma.

15 (11) \$84,500,000 of the move ahead WA account—federal
16 appropriation and \$137,500,000 of the move ahead WA account—private/
17 local appropriation are provided solely for the interstate bridge
18 replacement project, and up to \$53,000,000 of the move ahead WA
19 account—state appropriation is for the project, to construct
20 multimodal improvements to 5 miles of I-5 corridor between Oregon and
21 Washington including replacement of the bridge over the Columbia
22 River (L4000054).

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

32 (b) The department shall coordinate with the Brian Abbott fish
33 passage barrier removal board to use a watershed approach by
34 replacing both state and local culverts guided by the principle of
35 providing the greatest fish habitat gain at the earliest time. The
36 department shall deliver high habitat value fish passage barrier
37 corrections that it has identified, guided by the following factors:
38 Opportunity to bundle projects, tribal priorities, ability to
39 leverage investments by others, presence of other barriers, project

1 readiness, culvert conditions, other transportation projects in the
2 area, and transportation impacts. The department and Brian Abbott
3 fish barrier removal board must provide updates on the implementation
4 of the statewide culvert remediation plan to the legislature by
5 November 1, 2024, and June 1, 2025.

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

9 (13) \$12,327,000 of the Interstate 405 and state route number 167
10 express toll lanes account—state appropriation, and \$1,257,000 of the
11 transportation partnership account—state appropriation are provided
12 solely for the SR 167/SR 410 to SR 18 - Congestion Management project
13 (316706C).

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

20 (15) Any advisory group that the department convenes during the
21 2023-2025 fiscal biennium must consider the interests of the entire
22 state of Washington.

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

29 (17) \$25,000,000 of the motor vehicle account—federal
30 appropriation is provided solely for a federal fund exchange pilot
31 program between federal surface transportation block grant population
32 funding and state funds directed to counties to include an exchange
33 rate of state funds of \$0.90 per \$1.00 in federal funds. \$22,500,000
34 from existing state appropriations identified elsewhere within this
35 section are available to be used as part of the exchange. A report on
36 the effectiveness of the exchange program and recommendations for
37 continuing the pilot program is due to the governor and
38 transportation committees of the legislature by December 1, 2024.

1 NEW SECTION. **Sec. 307. FOR THE DEPARTMENT OF TRANSPORTATION—**

2 **PRESERVATION—PROGRAM P**

3	Move Ahead WA Account—State Appropriation.	\$1,251,000
4	Recreational Vehicle Account—State Appropriation.	\$793,000
5	Transportation 2003 Account (Nickel Account)—State	
6	Appropriation.	\$18,759,000
7	Transportation Partnership Account—State	
8	Appropriation.	\$10,000,000
9	Motor Vehicle Account—State Appropriation.	\$148,052,000
10	Motor Vehicle Account—Federal Appropriation.	\$529,891,000
11	Motor Vehicle Account—Private/Local Appropriation.	\$12,000,000
12	Connecting Washington Account—State Appropriation.	\$45,577,000
13	State Route Number 520 Corridor Account—State	
14	Appropriation.	\$5,481,000
15	Tacoma Narrows Toll Bridge Account—State	
16	Appropriation.	\$10,892,000
17	Alaskan Way Viaduct Replacement Project Account—	
18	State Appropriation.	\$12,000
19	Interstate 405 and State Route Number 167 Express	
20	Toll Lanes Account—State Appropriation.	\$27,026,000
21	TOTAL APPROPRIATION.	\$809,734,000

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

24 (1) Except as provided otherwise in this section, the entire
25 connecting Washington account—state appropriation, the entire move
26 ahead WA account—state appropriation, and the entire transportation
27 partnership account—state appropriation are provided solely for the
28 projects and activities as listed by fund, project, and amount in OFM
29 Transportation Document 2023-1: Proposed Transportation Project List
30 as developed December 14, 2022, Highway Preservation Program (P).
31 However, limited transfers of specific line-item project
32 appropriations may occur between projects for those amounts listed
33 subject to the conditions and limitations in section 601 of this act.

34 (2) Except as provided otherwise in this section, the entire
35 motor vehicle account—state appropriation and motor vehicle account—
36 federal appropriation are provided solely for the projects and
37 activities listed in OFM Transportation Document 2023-1: Proposed
38 Transportation Project List as developed December 14, 2022, Highway

1 Preservation Program (P). Any federal funds gained through
2 efficiencies, adjustments to the federal funds forecast, or the
3 federal funds redistribution process must then be applied to highway
4 and bridge preservation activities or fish passage barrier
5 corrections (0BI4001).

6 (3) Within the motor vehicle account—state appropriation and
7 motor vehicle account—federal appropriation, the department may
8 transfer funds between programs I and P, except for funds that are
9 otherwise restricted in this act. Ten days prior to any transfer, the
10 department must submit its request to the office of financial
11 management and the transportation committees of the legislature and
12 consider any concerns raised. The department shall submit a report on
13 fiscal year funds transferred in the prior fiscal year using this
14 subsection as part of the department's annual budget submittal.

15 (4) \$5,000,000 of the motor vehicle account—state appropriation
16 is provided solely for extraordinary costs incurred from litigation
17 awards, settlements, or dispute mitigation activities not eligible
18 for funding from the self-insurance fund (L2000290). The amount
19 provided in this subsection must be held in unallotted status until
20 the department submits a request to the office of financial
21 management that includes documentation detailing litigation-related
22 expenses. The office of financial management may release the funds
23 only when it determines that all other funds designated for
24 litigation awards, settlements, and dispute mitigation activities
25 have been exhausted. No funds provided in this subsection may be
26 expended on any legal fees related to the SR 99/Alaskan Way viaduct
27 replacement project (809936Z).

28 (5) \$24,794,000 of the motor vehicle account—federal
29 appropriation and \$16,000,000 of the connecting Washington account—
30 state appropriation are provided solely for preservation projects
31 within project L1100071 that ensure the reliable movement of freight
32 on the national highway freight system.

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

1 (7) \$9,700,000 of the motor vehicle account—state appropriation
2 is provided to address pavement, drainage, and roadside safety
3 hardware preservation and maintenance needs on state route number 112
4 between milepost 0.0 and milepost 41.0 (G2000113).

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

11 (9) \$25,000,000 of motor vehicle account—federal appropriation is
12 provided for a federal fund exchange pilot program between federal
13 surface transportation block grant population funding and state funds
14 directed to counties to include an exchange rate of state funds of
15 \$0.90 per \$1.00 in federal funds. \$22,500,000 from existing state
16 appropriations identified elsewhere within this section are available
17 to be used as part of the exchange. A report on the effectiveness of
18 the exchange program and recommendations for continuing the pilot
19 program is due to the governor and transportation committees of the
20 legislature by December 1, 2024.

21 NEW SECTION. **Sec. 308. FOR THE DEPARTMENT OF TRANSPORTATION—**
22 **TRAFFIC OPERATIONS—PROGRAM Q—CAPITAL**

23	Motor Vehicle Account—State Appropriation.	\$8,275,000
24	Motor Vehicle Account—Federal Appropriation.	\$5,100,000
25	Motor Vehicle Account—Private/Local Appropriation.	\$500,000
26	TOTAL APPROPRIATION.	\$13,875,000

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

32 NEW SECTION. **Sec. 309. FOR THE DEPARTMENT OF TRANSPORTATION—**
33 **WASHINGTON STATE FERRIES CONSTRUCTION—PROGRAM W**

34	Carbon Emissions Reduction Account—State	
35	Appropriation.	\$74,027,000
36	Puget Sound Capital Construction Account—State	
37	Appropriation.	\$267,605,000

1	Puget Sound Capital Construction Account—Federal	
2	Appropriation.	\$151,199,000
3	Puget Sound Capital Construction Account—	
4	Private/Local Appropriation.	\$1,081,000
5	Transportation Partnership Account—State	
6	Appropriation.	\$7,442,000
7	Connecting Washington Account—State Appropriation.	\$10,809,000
8	Capital Vessel Replacement Account—State	
9	Appropriation.	\$46,818,000
10	TOTAL APPROPRIATION.	\$558,981,000

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

13 (1) Except as provided otherwise in this section, the entire
14 appropriations in this section are provided solely for the projects
15 and activities as listed in OFM Transportation Document 2023-1:
16 Proposed Transportation Project List as developed December 14, 2022,
17 Washington State Ferries Capital Program (W).

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

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

- 25 (i) Anticipated cost increases and cost savings;
- 26 (ii) Anticipated cash flow and schedule changes; and
- 27 (iii) Explanations for the changes.

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

- 31 (i) What work has been done;
- 32 (ii) How have schedules shifted; and
- 33 (iii) Associated changes in funding among projects, accompanied
34 by explanations for the changes.

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

1 (3) \$5,000,000 of the Puget Sound capital construction account—
2 state appropriation is provided solely for emergency capital repair
3 costs (999910K). Funds may only be spent after approval by the office
4 of financial management.

5 (4) \$25,792,000 of the Puget Sound capital construction account—
6 state appropriation is provided solely for the conversion of up to
7 two Jumbo Mark II vessels to electric hybrid propulsion (G2000084).
8 The department shall seek additional funds for the purposes of this
9 subsection. The department may spend from the Puget Sound capital
10 construction account—state appropriation in this section only as much
11 as the department receives in Volkswagen settlement funds for the
12 purposes of this subsection.

13 (5) \$46,818,000 of the capital vessel replacement account—state
14 appropriation is provided solely for the acquisition of a 144-car
15 hybrid-electric vessel (L2000329).

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

19 (7) \$2,086,000 of the connecting Washington account—state
20 appropriation is provided solely for ferry vessel and terminal
21 preservation (L2000110). The funds provided in this subsection must
22 be used for unplanned preservation needs before shifting funding from
23 other preservation projects.

24 (8) \$3,000,000 of the Puget Sound capital construction account—
25 state appropriation is provided solely for the department to initiate
26 a vessel design-build process to replace the aging Issaquah class
27 ferries with a new 124-automobile hybrid electric ferry intended to
28 operate on the Vashon-Southworth-Fauntleroy route (983000A). Funding
29 will support predesign studies and development of a request for
30 proposals for a design-build contract to procure up to four vessels.

31 NEW SECTION. **Sec. 310. FOR THE DEPARTMENT OF TRANSPORTATION—**

32 **RAIL—PROGRAM Y—CAPITAL**

33 Carbon Emissions Reduction Account—State
34 Appropriation. \$50,000,000
35 Essential Rail Assistance Account—State
36 Appropriation. \$676,000
37 Move Ahead WA Flexible Account—State Appropriation. . . . \$35,000,000
38 Transportation Infrastructure Account—State

1	Appropriation.	\$5,369,000
2	Multimodal Transportation Account—State	
3	Appropriation.	\$80,610,000
4	Multimodal Transportation Account—Federal	
5	Appropriation.	\$15,000,000
6	TOTAL APPROPRIATION.	\$186,655,000

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

9 (1) Except as provided otherwise in this section, the entire
10 appropriations in this section are provided solely for the projects
11 and activities as listed by project and amount in OFM Transportation
12 Document 2023-1: Proposed Transportation Project List as developed
13 December 14, 2022, Rail Program (Y).

14 (2) \$2,030,000 of the transportation infrastructure account—state
15 appropriation is provided solely for new low-interest loans approved
16 by the department through the freight rail investment bank (FRIB)
17 program. The department shall issue FRIB program loans with a
18 repayment period of no more than 10 years, and charge only so much
19 interest as is necessary to recoup the department's costs to
20 administer the loans. The department shall report annually to the
21 transportation committees of the legislature and the office of
22 financial management on all FRIB loans issued. FRIB program loans may
23 be recommended by the department for 2022 supplemental transportation
24 appropriations up to the amount provided in this appropriation that
25 has not been provided for the projects listed in 2023-1: Proposed
26 Transportation Project List, as referenced in subsection (1) of this
27 section. The department shall submit a prioritized list for any loans
28 recommended to the office of financial management and the
29 transportation committees of the legislature by November 15, 2021.

30 (3) \$7,040,000 of the multimodal transportation account—state
31 appropriation is provided solely for new statewide emergent freight
32 rail assistance projects (FRAP) identified in the OFM transportation
33 document referenced in subsection (1) of this section.

34 (4) \$369,000 of the transportation infrastructure account—state
35 appropriation and \$1,100,000 of the multimodal transportation account
36 —state appropriation are provided solely to reimburse Highline Grain,
37 LLC (L2000179) for approved work completed on Palouse River and
38 Coulee City (PCC) railroad track in Spokane county between the BNSF
39 Railway Interchange at Cheney and Geiger Junction and must be

1 administered in a manner consistent with freight rail assistance
2 program projects. The value of the public benefit of this project is
3 expected to meet or exceed the cost of this project in: Shipper
4 savings on transportation costs; jobs saved in rail-dependent
5 industries; and/or reduced future costs to repair wear and tear on
6 state and local highways due to fewer annual truck trips (reduced
7 vehicle miles traveled). The amounts provided in this subsection are
8 not a commitment for future legislatures, but it is the legislature's
9 intent that future legislatures will work to approve biennial
10 appropriations until the full \$7,337,000 cost of this project is
11 reimbursed.

12 (5) (a) \$576,000 of the essential rail assistance account—state
13 appropriation is provided solely for the purpose of the
14 rehabilitation and maintenance of the Palouse river and Coulee City
15 railroad line (F01111B).

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

18 (i) Revenues and transfers deposited into the essential rail
19 assistance account from leases and sale of property relating to the
20 Palouse river and Coulee City railroad;

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

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

27 (6) The department shall issue a call for projects for the
28 freight rail assistance program, and shall evaluate the applications
29 in a manner consistent with past practices as specified in section
30 309, chapter 367, Laws of 2011. By November 15, 2024, the department
31 shall submit a prioritized list of recommended projects to the office
32 of financial management and the transportation committees of the
33 legislature.

34 (7) \$32,850,000 of the multimodal transportation account—state
35 appropriation is provided solely for Passenger Rail Equipment
36 Replacement (project 700010C). The appropriation in this subsection
37 include insurance proceeds received by the state. The department must
38 use these funds only to purchase replacement equipment that has been

1 competitively procured and for service recovery needs and corrective
2 actions related to the December 2017 derailment.

3 NEW SECTION. **Sec. 311. FOR THE DEPARTMENT OF TRANSPORTATION—**
4 **LOCAL PROGRAMS—PROGRAM Z—CAPITAL**

5	Carbon Emissions Reduction Account—State	
6	Appropriation.	\$14,000,000
7	Climate Active Transportation Account—State	
8	Appropriation.	\$155,818,000
9	Highway Infrastructure Account—State Appropriation.	\$793,000
10	Highway Infrastructure Account—Federal Appropriation	
11	\$1,600,000
12	Move Ahead WA Account—State Appropriation.	\$125,760,000
13	Move Ahead WA Flexible Account—State Appropriation.	\$24,000,000
14	Transportation Partnership Account—State	
15	Appropriation.	\$500,000
16	Motor Vehicle Account—State Appropriation.	\$5,470,000
17	Motor Vehicle Account—Federal Appropriation.	\$57,127,000
18	Connecting Washington Account—State Appropriation.	\$100,566,000
19	Multimodal Transportation Account—State	
20	Appropriation.	\$78,329,000
21	TOTAL APPROPRIATION.	\$563,963,000

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

24 (1) Except as provided otherwise in this section, the entire
25 appropriations in this section are provided solely for the projects
26 and activities as listed by project and amount in OFM Transportation
27 Document 2023-1: Proposed Transportation Project List as developed
28 December 14, 2022, Local Programs Program (Z).

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

32 (a) (i) \$34,673,000 of the multimodal transportation account—state
33 appropriation and \$37,563,000 of the climate active transportation
34 account—state appropriation are provided solely for pedestrian and
35 bicycle safety program projects (L2000188) and (L1000307).

36 (ii) The state route 99/Aurora Avenue North Planning Study funded
37 in this subsection (2)(a) must prioritize designs that ensure slow
38 vehicle speeds and systematic improvement to the quality of

1 multimodal access, and must be fully completed by September 30, 2023,
2 in order to ensure construction of improvements begins no later than
3 March 1, 2024.

4 (b) \$19,137,000 of the motor vehicle account—federal
5 appropriation, \$12,844,000 of the multimodal transportation account—
6 state appropriation, and \$38,915,000 of the climate active
7 transportation account—state appropriation are provided solely for
8 safe routes to school projects (L2000189) and (L1000306). The
9 department may consider the special situations facing high-need
10 areas, as defined by schools or project areas in which the percentage
11 of the children eligible to receive free and reduced-price meals
12 under the national school lunch program is equal to, or greater than,
13 the state average as determined by the department, when evaluating
14 project proposals against established funding criteria while ensuring
15 continued compliance with federal eligibility requirements.

16 (3) The department shall submit a report to the transportation
17 committees of the legislature by December 1, 2023, and December 1,
18 2024, on the status of projects funded as part of the pedestrian
19 safety/safe routes to school grant program. The report must include,
20 but is not limited to, a list of projects selected and a brief
21 description of each project's status. In its December 1, 2023, report
22 the department must also include recommended changes to the
23 pedestrian safety/safe routes to school grant program application and
24 selection processes to increase utilization by a greater diversity of
25 jurisdictions.

26 (4) \$15,786,000 of the multimodal transportation account—state
27 appropriation is provided solely for the connecting Washington tier
28 bicycle and pedestrian projects listed in the OFM transportation
29 document referenced in subsection (1) of this section.

30 (5) \$1,000,000 of the motor vehicle account—federal appropriation
31 is provided solely for national highway freight network projects
32 identified on the project list submitted in accordance with section
33 218(4)(b), chapter 14, Laws of 2016 on October 31, 2016 (L1000169).

34 (6) \$36,640,000 of the motor vehicle account—federal
35 appropriation is provided solely for acceleration of local
36 preservation projects that ensure the reliable movement of freight on
37 the national highway freight system (G2000100). The department will
38 identify projects through its current national highway system asset
39 management call for projects with applications due in February 2023.

1 The department shall give priority to those projects that can be
2 obligated by September 30, 2023.

3 (7) \$100,000 of the multimodal transportation account—state
4 appropriation is provided solely for a grant to the Northwest Seaport
5 Alliance (NWSA) to lead the creation and coordination of a
6 multistakeholder zero emissions truck collaborative (L2021119) that
7 will: (a) Facilitate the development and implementation of one or
8 more zero-emissions drayage truck demonstration projects in
9 Washington state; and (b) develop a roadmap for transitioning the
10 entire fleet of approximately 4,500 drayage trucks that serve the
11 NWSA cargo gateway to zero-emissions vehicles by 2050 or sooner.

12 (8) \$5,624,000 of the connecting Washington account—state
13 appropriation is provided solely for the I-5/Mellen Street Connector
14 project (L2000205).

15 (9) \$400,000 of the motor vehicle account—state appropriation is
16 provided solely for the 166th/SR 410 Interchange (L2021124).

17 (10) \$800,000 of the motor vehicle account—state appropriation is
18 provided solely for repairs and rehabilitation of the Pierce county
19 ferry landings at Anderson Island and Steilacoom (L1000314).

20 (11) \$150,000 of the motor vehicle account—state appropriation is
21 provided solely for the city of Spokane for preliminary engineering
22 of the US 195/Inland Empire Way project. Funds may be used for
23 predesign environmental assessment work, community engagement,
24 design, and project cost estimation (L1000316).

25 (12) \$1,200,000 of the motor vehicle account—state appropriation
26 is provided solely for the SR 109/88 Corner Roadway project
27 (G2000106).

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

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

4 NEW SECTION. **Sec. 312. ANNUAL REPORTING REQUIREMENTS FOR**
5 **CAPITAL PROGRAM**

6 (1) As part of its annual budget submittal, the department of
7 transportation shall provide an update to the report provided to the
8 legislature in the prior fiscal year that: (a) Compares the original
9 project cost estimates approved in the 2003, 2005, 2015, and 2022
10 revenue package project lists to the completed cost of the project,
11 or the most recent legislatively approved budget and total project
12 costs for projects not yet completed; (b) identifies highway projects
13 that may be reduced in scope and still achieve a functional benefit;
14 (c) identifies highway projects that have experienced scope increases
15 and that can be reduced in scope; (d) identifies highway projects
16 that have lost significant local or regional contributions that were
17 essential to completing the project; (e) identifies risk reserves and
18 contingency amounts allocated to projects; and (f) lists the nickel,
19 TPA, and connecting Washington projects charging to the
20 Nickel/TPA/CWA Environmental Mitigation Reserve (0BI4ENV) and the
21 Nickel/TPA Projects Completed with Minor Ongoing Expenditures project
22 (0BI100B), and the amount each project is charging.

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

28 NEW SECTION. **Sec. 313. QUARTERLY REPORTING REQUIREMENTS FOR**
29 **CAPITAL PROGRAM**

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

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

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

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

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

9 NEW SECTION. **Sec. 314. FEDERAL FUNDS RECEIVED FOR CAPITAL**
10 **PROJECT EXPENDITURES**

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

14 NEW SECTION. **Sec. 315. NOTIFICATION REQUIREMENTS FOR PAUSES AND**
15 **CANCELLATIONS**

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

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

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

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

(End of part)

1 TRANSFERS AND DISTRIBUTIONS

2 NEW SECTION. **Sec. 401. FOR THE STATE TREASURER—BOND RETIREMENT**
3 **AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR**
4 **BOND SALES DISCOUNTS AND DEBT TO BE PAID BY MOTOR VEHICLE ACCOUNT AND**
5 **TRANSPORTATION FUND REVENUE**

6	Transportation Partnership Account—State	
7	Appropriation.	\$180,000
8	Connecting Washington Account—State Appropriation.	\$568,000
9	Special Category C Account—State Appropriation.	\$540,000
10	Highway Bond Retirement Account—State Appropriation.	\$1,428,364,000
11	Ferry Bond Retirement Account—State Appropriation.	\$4,616,000
12	Transportation Improvement Board Bond Retirement	
13	Account—State Appropriation.	\$10,895,000
14	Nondebt-Limit Reimbursable Bond Retirement Account—	
15	State Appropriation.	\$28,606,000
16	Toll Facility Bond Retirement Account—State	
17	Appropriation.	\$76,372,000
18	TOTAL APPROPRIATION.	\$1,550,141,000

19 NEW SECTION. **Sec. 402. FOR THE STATE TREASURER—BOND RETIREMENT**
20 **AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR**
21 **BOND SALE EXPENSES AND FISCAL AGENT CHARGES**

22	Transportation Partnership Account—State	
23	Appropriation.	\$36,000
24	Connecting Washington Account—State Appropriation.	\$116,000
25	Special Category C Account—State Appropriation.	\$108,000
26	Transportation Improvement Account—State	
27	Appropriation.	\$20,000
28	TOTAL APPROPRIATION.	\$280,000

29 NEW SECTION. **Sec. 403. FOR THE STATE TREASURER—STATE REVENUES**
30 **FOR DISTRIBUTION**

31	Motor Vehicle Account—State Appropriation: For motor	
32	vehicle fuel tax statutory distributions to	
33	cities and counties.	\$484,681,000
34	Multimodal Transportation Account—State	
35	Appropriation: For distribution to cities and	
36	counties.	\$26,786,000

1 Motor Vehicle Account—State Appropriation: For
2 distribution to cities and counties. \$23,438,000

3 NEW SECTION. **Sec. 404. FOR THE STATE TREASURER—TRANSFERS**

4 Motor Vehicle Account—State Appropriation: For motor
5 vehicle fuel tax refunds and statutory
6 transfers. \$2,068,839,000

7 NEW SECTION. **Sec. 405. FOR THE DEPARTMENT OF LICENSING—**
8 **TRANSFERS**

9 Motor Vehicle Account—State Appropriation: For motor
10 vehicle fuel tax refunds and transfers. \$251,441,000

11 NEW SECTION. **Sec. 406. FOR THE STATE TREASURER—ADMINISTRATIVE**
12 **TRANSFERS**

13 (1) Highway Safety Account—State Appropriation:
14 For transfer to the State Patrol Highway
15 Account—State. \$29,000,000

16 (2) (a) Transportation Partnership Account—State
17 Appropriation: For transfer to the Capital Vessel
18 Replacement Account—State. \$9,000,000

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

21 (3) Motor Vehicle Account—State Appropriation:
22 For transfer to the County Arterial Preservation
23 Account—State. \$4,844,000

24 (4) Motor Vehicle Account—State Appropriation:
25 For transfer to the Freight Mobility Investment
26 Account—State. \$8,511,000

27 (5) Motor Vehicle Account—State Appropriation:
28 For transfer to the Rural Arterial Trust Account—State. . . \$4,844,000

29 (6) Motor Vehicle Account—State Appropriation:
30 For transfer to the Transportation Improvement
31 Account—State. \$9,688,000

32 (7) State Route Number 520 Civil Penalties
33 Account—State Appropriation: For transfer to the
34 State Route Number 520 Corridor Account—State. \$560,000

35 (8) Capital Vessel Replacement Account—State
36 Appropriation: For transfer to the Connecting

1 Washington Account—State. \$40,000,000
2 (9) Multimodal Transportation Account—State
3 Appropriation: For transfer to the Complete Streets
4 Grant Program Account—State. \$14,670,000
5 (10) Multimodal Transportation Account—State
6 Appropriation: For transfer to the Freight Mobility
7 Multimodal Account—State. \$8,511,000
8 (11) Multimodal Transportation Account—State
9 Appropriation: For transfer to the Regional Mobility
10 Grant Program Account—State. \$27,679,000
11 (12) Multimodal Transportation Account—State
12 Appropriation: For transfer to the Rural Mobility
13 Grant Program Account—State. \$12,223,000
14 (13) (a) Alaskan Way Viaduct Replacement Project
15 Account—State Appropriation: For transfer to the
16 Transportation Partnership Account—State. \$25,000,000
17 (b) The amount transferred in this subsection represents
18 repayment of the project cost increases paid from the transportation
19 partnership account—state funds incurred for the construction of the
20 SR 99/Alaskan Way Viaduct Replacement project (809936Z).
21 (14) Tacoma Narrows Toll Bridge Account—State
22 Appropriation: For transfer to the Motor Vehicle
23 Account—State. \$543,000
24 (15) Transportation Partnership Account—State
25 Appropriation: For transfer to the Motor Vehicle
26 Account—State. \$30,000,000
27 (16) Transportation Partnership Account—State
28 Appropriation: For transfer to the State Patrol Highway
29 Account—State. \$75,000,000
30 (17) Highway Safety Account—State Appropriation:
31 For transfer to the Motor Vehicle
32 Account—State. \$40,000,000
33 (18) Motor Vehicle Account—State Appropriation:
34 For transfer to the Move Ahead WA Account—State \$7,500,000
35 (19) Connecting Washington Account—State Appropriation:
36 For transfer to the Move Ahead WA Account—State. \$200,000,000
37 (20) Multimodal Transportation Account—State Appropriation:
38 For transfer to the Motor Vehicle Account—State. \$127,000,000

1 (21) Multimodal Transportation Account—State
 2 Appropriation: For transfer to the Puget Sound Ferry
 3 Operations Account—State. \$140,000,000
 4 (22) Multimodal Transportation Account—State
 5 Appropriation: For transfer to the State Patrol Highway
 6 Account—State. \$46,000,000
 7 (23) Carbon Emissions Reduction Account—State
 8 Appropriation: For transfer to the Multimodal Transportation
 9 Account—State. \$127,000,000
 10 (24) Move Ahead WA Flexible Account—State
 11 Appropriation: For transfer to the Motor Vehicle
 12 Account—State. \$33,000,000
 13 (25) Move Ahead WA Flexible Account—State
 14 Appropriation: For transfer to the Puget Sound
 15 Ferry Operations Account—State. \$75,000,000
 16 (26) (a) Alaskan Way Viaduct Replacement Project
 17 Account—State Appropriation: For transfer to
 18 the Motor Vehicle Account—State. \$25,000,000
 19 (b) \$9,000,000 of the amount transferred in this subsection
 20 represents repayment of the project cost increases paid from Motor
 21 Vehicle Account—State funds incurred for the construction of the SR
 22 99/Alaskan Way Viaduct Replacement project (809936Z).
 23 (27) Transportation 2003 Account (Nickel Account)
 24 —State Appropriation: For transfer to the State Patrol
 25 Highway Account—State. \$52,000,000

26 NEW SECTION. **Sec. 407. FOR THE STATE TREASURER—BOND RETIREMENT**
 27 **AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR**
 28 **DEBT TO BE PAID BY STATUTORILY PRESCRIBED REVENUE**

29 Toll Facility Bond Retirement Account—Federal
 30 Appropriation. \$194,241,000
 31 Toll Facility Bond Retirement Account—State
 32 Appropriation. \$25,372,000
 33 TOTAL APPROPRIATION. \$219,613,000

34 The appropriations in this section are subject to the following
 35 conditions and limitations: \$35,250,000 of the toll facility bond
 36 retirement account—federal appropriation may be used to prepay

1 certain outstanding bonds if sufficient debt service savings can be
2 obtained.

3 NEW SECTION. **Sec. 408. COMPENSATION AND BENEFITS**

4 Motor Vehicle Account—State Appropriation. \$103,000

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

10 NEW SECTION. **Sec. 409. CENTRAL SERVICE CHARGES**

11 Motor Vehicle Account—State Appropriation. \$9,000

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

(End of part)

1 **COMPENSATION**

2 NEW SECTION. **Sec. 501. COLLECTIVE BARGAINING AGREEMENTS NOT**
3 **IMPAIRED**

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

8 NEW SECTION. **Sec. 502. COLLECTIVE BARGAINING AGREEMENTS**

9 In accordance with chapters 41.80, 41.56, and 47.64 RCW,
10 agreements have been reached between the governor and employee
11 organizations representing state employee bargaining units for the
12 2023-2025 fiscal biennium. Funding is provided in this act to fund
13 these agreements. The collective bargaining agreements that have been
14 reached and are funded in this act, and the description of the major
15 economic terms in each of the listed agreements are specified in OFM
16 transportation document 2023-5: 2023-2025 Collective Bargaining
17 Agreements as developed December 14, 2022.

18 NEW SECTION. **Sec. 503. COMPENSATION—REPRESENTED EMPLOYEES—**
19 **HEALTH CARE—COALITION—INSURANCE BENEFITS**

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

27 (1) The monthly employer funding rate for insurance benefit
28 premiums, public employees' benefits board administration, and the
29 uniform medical plan, shall not exceed \$1,160 per eligible employee
30 for fiscal year 2024. For fiscal year 2025, the monthly employer
31 funding rate shall not exceed \$1,233 per eligible employee. These
32 rates include funding to cover, effective January 1, 2024: (a)
33 Increased provider payments in the uniform medical plan for in-
34 network advanced registered nurse practitioners (ARNPs) to have
35 parity with a licensed in-network physician for the same services
36 rendered, (b) increasing the temporomandibular (TMJ) benefit to
37 \$1,000 annually/\$5,000 lifetime in the uniform dental plan, and (c)

1 eliminating the deductible for children up to age 15 in the uniform
2 dental plan. These rates are sufficient to cover, effective January
3 1, 2025, carving vision benefits out medical plans into stand-alone
4 vision insurance.

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

15 NEW SECTION. **Sec. 504. COMPENSATION—REPRESENTED EMPLOYEES**
16 **OUTSIDE HEALTH CARE COALITION—INSURANCE BENEFITS**

17 Appropriations for state agencies in this act are sufficient for
18 represented employees outside the coalition for health benefits, and
19 are subject to the following conditions and limitations: The monthly
20 employer funding rate for insurance benefit premiums, public
21 employees' benefits board administration, and the uniform medical
22 plan, may not exceed \$1,160 per eligible employee for fiscal year
23 2024. For fiscal year 2025, the monthly employer funding rate may not
24 exceed \$1,233 per eligible employee.

25 NEW SECTION. **Sec. 505. COMPENSATION—NONREPRESENTED EMPLOYEES—**
26 **INSURANCE BENEFITS**

27 Appropriations for state agencies in this act are sufficient for
28 nonrepresented state employee health benefits for state agencies,
29 including institutions of higher education, and are subject to the
30 following conditions and limitations: The employer monthly funding
31 rate for insurance benefit premiums, public employees' benefits board
32 administration, and the uniform medical plan, shall not exceed \$1,160
33 per eligible employee for fiscal year 2024. For fiscal year 2025, the
34 monthly employer funding rate shall not exceed \$1,233 per eligible
35 employee.

1 NEW SECTION. **Sec. 506. GENERAL WAGE INCREASES AND LUMP SUM**
2 **PAYMENTS**

3 (1) Appropriations for state agency employee compensation in this
4 act are sufficient to provide general wage increases, retention lump
5 sum payment and a lump sum COVID-19 booster incentive to state agency
6 employees who are not represented or who bargain under statutory
7 authority other than chapter 41.80 or 47.64 RCW or RCW 41.56.473 or
8 41.56.475.

9 (2) Funding is provided for a four percent general wage increase
10 effective July 1, 2023, for all classified employees as specified in
11 subsection (1) of this section, employees in the Washington
12 management service, and exempt employees under the jurisdiction of
13 the office of financial management. The appropriations are also
14 sufficient to fund a four percent salary increase effective July 1,
15 2023, for executive and legislative branch employees exempt from
16 merit system rules whose maximum salaries are not set by the
17 commission on salaries for elected officials.

18 (3) Funding is provided for a three percent general wage increase
19 effective July 1, 2024, for all classified employees as specified in
20 subsection (1) of this section, employees in the Washington
21 management service, and exempt employees under the jurisdiction of
22 the office of financial management. The appropriations are also
23 sufficient to fund a three percent salary increase effective July 1,
24 2024, for executive and legislative branch employees exempt from
25 merit system rules whose maximum salaries are not set by the
26 commission on salaries for elected officials.

27 (4) Funding is provided for a retention lump sum payment of
28 \$1,000 for all employees as specified in subsection (1) of this
29 section, employed on or before July 1, 2022, and continuously
30 employed through July 1, 2023.

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

36 NEW SECTION. **Sec. 507. COMPENSATION—PENSION CONTRIBUTIONS**

37 Appropriations to state agencies include funding for an increase
38 in pension contribution rates for several state pension systems. An
39 increase of 0.12 percent is funded for state employer contributions

1 to the public employees' retirement system, the public safety
2 employees' retirement systems, and the school employees' retirement
3 system. An increase of 0.23 percent for employer contributions to the
4 teachers' retirement system is funded. These increases are provided
5 for the purpose of a one-time, ongoing pension increase for retirees
6 in the public employees' retirement system plan 1 and teachers'
7 retirement system plan 1, as provided in Z-0143.1/23 (providing a
8 benefit increase to certain retirees of the public employees'
9 retirement system plan 1 and the teachers' retirement system plan 1).
10 If chapter . . ., Laws of 2023 (providing a benefit increase to
11 certain retirees of the public employees' retirement system plan 1
12 and the teachers' retirement system plan 1) is not enacted by June
13 30, 2023, this section lapses.

14 NEW SECTION. **Sec. 508. COMPENSATION—REVISE PENSION CONTRIBUTION**
15 **RATES**

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

(End of part)

1 **IMPLEMENTING PROVISIONS**

2 NEW SECTION. **Sec. 601. MANAGEMENT OF TRANSPORTATION FUNDS WHEN**
3 **THE LEGISLATURE IS NOT IN SESSION**

4 (1) The 2005 transportation partnership projects or improvements
5 and 2015 connecting Washington projects or improvements are listed in
6 the OFM Transportation Document 2023-1: Proposed Transportation
7 Project List as developed December 14, 2022, which consists of a list
8 of specific projects by fund source and amount over a 16-year period.
9 Current fiscal biennium funding for each project is a line-item
10 appropriation, while the outer year funding allocations represent a
11 16-year plan. The department of transportation is expected to use the
12 flexibility provided in this section to assist in the delivery and
13 completion of all transportation partnership account and connecting
14 Washington account projects on the OFM transportation document
15 referenced in this subsection. For the 2023-2025 project
16 appropriations, unless otherwise provided in this act, the director
17 of the office of financial management may provide written
18 authorization for a transfer of appropriation authority between
19 projects funded with transportation partnership account
20 appropriations or connecting Washington account appropriations to
21 manage project spending and efficiently deliver all projects in the
22 respective program under the following conditions and limitations:

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

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

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

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

33 (e) Transfers to a project may not occur if that project is a
34 programmatic funding item described in broad general terms on the
35 applicable project list without referencing a specific state route
36 number;

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

1 (g) Transfers to a project may not be made with funds designated
2 as attributable to practical design savings as described in RCW
3 47.01.480;

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

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

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

11 (k) Each transfer between projects may only occur if the director
12 of the office of financial management finds that any resulting change
13 will not hinder the completion of the projects as approved by the
14 legislature; and

15 (1) Transfers between projects may be made by the department of
16 transportation without the formal written approval provided under
17 this subsection (1), provided that the transfer amount to a single
18 project does not exceed \$250,000 or 10 percent of the total project
19 per biennium, whichever is less. These transfers must be reported
20 quarterly to the director of the office of financial management and
21 the chairs of the house of representatives and senate transportation
22 committees.

23 (2) The department of transportation must submit quarterly all
24 transfers authorized under this section in the transportation
25 executive information system. The office of financial management must
26 maintain a legislative baseline project list identified in the OFM
27 transportation documents referenced in this act, and update that
28 project list with all authorized transfers under this section,
29 including any effects to the total project budgets and schedules
30 beyond the current biennium.

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

35 (4) Before approval, the office of financial management shall
36 work with legislative staff of the house of representatives and
37 senate transportation committees to review the requested transfers in
38 a timely manner and address any concerns raised by the chairs and
39 ranking members of the transportation committees.

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

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

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

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

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

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

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

36 NEW SECTION. **Sec. 602. BOND REIMBURSEMENT**

37 To the extent that any appropriation authorizes expenditures of
38 state funds from the motor vehicle account, special category C
39 account, Tacoma Narrows toll bridge account, transportation 2003

1 account (nickel account), transportation partnership account,
2 transportation improvement account, Puget Sound capital construction
3 account, multimodal transportation account, state route number 520
4 corridor account, connecting Washington account, or other
5 transportation capital project account in the state treasury for a
6 state transportation program that is specified to be funded with
7 proceeds from the sale of bonds authorized in chapter 47.10 RCW, the
8 legislature declares that any such expenditures made before the issue
9 date of the applicable transportation bonds for that state
10 transportation program are intended to be reimbursed from proceeds of
11 those transportation bonds in a maximum amount equal to the amount of
12 such appropriation.

13 NEW SECTION. **Sec. 603. BELATED CLAIMS**

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

18 NEW SECTION. **Sec. 604. REAPPROPRIATIONS REPORTING**

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

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

25 (b) Identifies, for each project, the amount of cost savings or
26 increases in funding that have been identified as compared to the
27 2017 enacted omnibus transportation appropriations act.

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

32 NEW SECTION. **Sec. 605. WEBSITE REPORTING REQUIREMENTS**

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

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

3 NEW SECTION. **Sec. 606. TRANSIT, BICYCLE, AND PEDESTRIAN**
4 **ELEMENTS REPORTING**

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

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

17 NEW SECTION. **Sec. 607. PROJECT SCOPE CHANGES**

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

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

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

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

37 (5) As part of its annual budget submittal, the department of
38 transportation must report on all approved scope change requests from

1 the prior year, including a comparison of the scope before and after
2 the requested change.

3 NEW SECTION. **Sec. 608. TOLL CREDITS**

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

(End of part)

NEW SECTION. **Sec. 701. 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.

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

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

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

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

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

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

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

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

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

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

32 (i) Project changes each fiscal month;

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

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

37 (iv) Coordination with agencies;

38 (v) Monthly quality assurance reports, if applicable;

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

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

3 (viii) Budget and expenditures each fiscal month;

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

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

8 (A) Office of the chief information officer;

9 (B) Agency project team; and

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

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

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

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

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

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

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

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

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

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

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

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

5 (9) The office of the chief information officer may suspend or
6 terminate a project at any time if it determines that the project is
7 not meeting or not expected to meet anticipated performance and
8 technology outcomes. Once suspension or termination occurs, the
9 agency shall unallot any unused funding and shall not make any
10 expenditure for the project without the approval of the office of
11 financial management. The office of the chief information officer
12 must report on July 1st and December 1st each calendar year any
13 suspension or termination of a project in the previous six-month
14 period to the legislative fiscal committees.

15 (10) The office of the chief information officer, in consultation
16 with the office of financial management, may identify additional
17 projects to be subject to this section, including projects that are
18 not separately identified within an agency budget. The office of the
19 chief information officer must report on July 1st and December 1st
20 each calendar year any additional projects to be subjected to this
21 section that were identified in the previous six-month period to the
22 legislative fiscal committees.

23 **Sec. 702.** RCW 43.19.642 and 2021 c 333 s 703 are each amended to
24 read as follows:

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

33 (2) Except as provided in subsection (5) of this section,
34 effective June 1, 2009, state agencies are required to use a minimum
35 of (~~twenty~~) 20 percent biodiesel as compared to total volume of all
36 diesel purchases made by the agencies for the operation of the
37 agencies' diesel-powered vessels, vehicles, and construction
38 equipment.

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

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

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

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

12 (5) During the (~~(2019-2021 and)~~) 2021-2023 and 2023-2025 fiscal
13 biennia, the Washington state ferries is required to use a minimum of
14 five percent biodiesel as compared to total volume of all diesel
15 purchases made by the Washington state ferries for the operation of
16 the Washington state ferries diesel-powered vessels, as long as the
17 price of a B5 or B10 biodiesel blend does not exceed the price of
18 conventional diesel fuel by five percent or more.

19 **Sec. 703.** RCW 46.20.745 and 2021 c 333 s 704 are each amended to
20 read as follows:

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

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

37 (3) The department, the state patrol, and the Washington traffic
38 safety commission shall coordinate to establish a compliance pilot
39 program that will target at least one county from eastern Washington

1 and one county from western Washington, as determined by the
2 department, state patrol, and Washington traffic safety commission.

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

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

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

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

11 (5) As part of monitoring compliance, the Washington traffic
12 safety commission shall also track recidivism for violations of RCW
13 46.61.502 and 46.61.504 by persons required to have an ignition
14 interlock driver's license under RCW 46.20.385 and 46.20.720.

15 **Sec. 704.** RCW 82.21.030 and 2022 c 182 s 313 are each amended to
16 read as follows:

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

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

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

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

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

36 (c) Until the beginning of the ensuing biennium after the
37 enactment of an additive transportation funding act, \$50,000,000 per
38 biennium to the motor vehicle fund to be used exclusively for
39 transportation stormwater activities and projects. For purposes of

1 this subsection, "additive transportation funding act" means an act
2 enacted after June 30, 2023, in which the combined total of new
3 revenues deposited into the motor vehicle fund and the multimodal
4 transportation account exceed \$2,000,000,000 per biennium
5 attributable solely to an increase in revenue from the enactment of
6 the act.

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

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

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

27 **Sec. 705.** RCW 47.66.120 and 2022 c 182 s 439 are each amended to
28 read as follows:

29 (1)(a) The department's public transportation division shall
30 establish a green transportation capital grant program. The purpose
31 of the grant program is to aid any transit authority in funding cost-
32 effective capital projects to reduce the carbon intensity of the
33 Washington transportation system, examples of which include:
34 Electrification of vehicle fleets, including battery and fuel cell
35 electric vehicles; modification or replacement of capital facilities
36 in order to facilitate fleet electrification and/or hydrogen
37 refueling; necessary upgrades to electrical transmission and
38 distribution systems; and construction of charging and fueling
39 stations. The department's public transportation division shall

1 identify projects and shall submit a prioritized list of all projects
2 requesting funding to the legislature by December 1st of each even-
3 numbered year.

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

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

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

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

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

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

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

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

37 **Sec. 706.** RCW 46.68.060 and 2022 c 182 s 434 are each amended to
38 read as follows:

1 There is hereby created in the state treasury a fund to be known
2 as the highway safety fund to the credit of which must be deposited
3 all moneys directed by law to be deposited therein. This fund must be
4 used for carrying out the provisions of law relating to driver
5 licensing, driver improvement, financial responsibility, cost of
6 furnishing abstracts of driving records and maintaining such case
7 records, and to carry out the purposes set forth in RCW 43.59.010,
8 chapters 46.72 and 46.72A RCW, and RCW 47.04.410. (~~During the~~
9 ~~2013-2015 and 2015-2017 fiscal biennia, the legislature may transfer~~
10 ~~from the highway safety fund to the Puget Sound ferry operations~~
11 ~~account, the motor vehicle fund, and the multimodal transportation~~
12 ~~account such amounts as reflect the excess fund balance of the~~
13 ~~highway safety fund.)) During the ((~~2017-2019, 2019-2021, and~~)
14 2021-2023 fiscal ((~~biennia~~)) biennium, the legislature may direct the
15 state treasurer to make transfers of moneys in the highway safety
16 fund to the multimodal transportation account and the state patrol
17 highway account. During the 2023-2025 fiscal biennium, the
18 legislature may direct the state treasurer to make transfers of
19 moneys in the highway safety fund to the state patrol highway account
20 and the motor vehicle fund.~~

21 **Sec. 707.** RCW 46.68.290 and 2022 c 157 s 16 are each amended to
22 read as follows:

23 (1) The transportation partnership account is hereby created in
24 the motor vehicle fund. All distributions to the account from RCW
25 46.68.090 must be deposited into the account. Money in the account
26 may be spent only after appropriation. Expenditures from the account
27 must be used only for projects or improvements identified as 2005
28 transportation partnership projects or improvements in the omnibus
29 transportation appropriations act, including any principal and
30 interest on bonds authorized for the projects or improvements.

31 (2) The legislature finds that:

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

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

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

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

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

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

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

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

33 (6) The audits may include:

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

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

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

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

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

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

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

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

22 (i) Identification and recognition of best practices;

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

25 (k) Evaluation of personnel systems operation and management;

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

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

31 (n) Evaluation of transportation-related project costs ~~((7))~~
32 including, but not limited to, environmental mitigation, competitive
33 bidding practices, permitting processes, and capital project
34 management.

35 (7) Within the authorities and duties under chapter 43.09 RCW,
36 the state auditor must provide the preliminary performance audit
37 reports to the audited state agency for comment. The auditor also may
38 seek input on the preliminary report from other appropriate
39 officials. Comments must be received within ~~((thirty))~~ 30 days after
40 receipt of the preliminary performance audit report unless a

1 different time period is approved by the state auditor. The final
2 performance audit report shall include the objectives, scope, and
3 methodology; the audit results, including findings and
4 recommendations; the agency's response and conclusions; and
5 identification of best practices.

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

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

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

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

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

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

38 ~~(12))~~ During the ~~((2019-2021 and))~~ 2021-2023 fiscal ~~((biennia))~~
39 biennium, the legislature may direct the state treasurer to make
40 transfers of moneys in the transportation partnership account to the

1 connecting Washington account, the motor vehicle fund, the Tacoma
2 Narrows toll bridge account, and the capital vessel replacement
3 account. During the 2023-2025 fiscal biennium, the legislature may
4 direct the state treasurer to make transfers of moneys in the
5 transportation partnership account to the motor vehicle fund, the
6 capital vessel replacement account, and the state patrol highway
7 account.

8 **Sec. 708.** RCW 47.60.322 and 2021 c 333 s 712 are each amended to
9 read as follows:

10 (1) The capital vessel replacement account is created in the
11 motor vehicle fund. All revenues generated from the vessel
12 replacement surcharge under RCW 47.60.315(7) and service fees
13 collected by the department of licensing or county auditor or other
14 agent appointed by the director under RCW 46.17.040, 46.17.050, and
15 46.17.060 must be deposited into the account. Moneys in the account
16 may be spent only after appropriation. Expenditures from the account
17 may be used only for the construction or purchase of ferry vessels
18 and to pay the principal and interest on bonds authorized for the
19 construction or purchase of ferry vessels. However, expenditures from
20 the account must first be used to support the construction or
21 purchase, including any applicable financing costs, of a ferry vessel
22 with a carrying capacity of at least (~~one hundred forty-four~~) 144
23 cars.

24 (2) The state treasurer may transfer moneys from the capital
25 vessel replacement account to the transportation 2003 account (nickel
26 account) for debt service on bonds issued for the construction of
27 144-car class ferry vessels.

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

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

1 **Sec. 709.** RCW 46.68.395 and 2020 c 219 s 707 are each amended to
2 read as follows:

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

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

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

17 **Sec. 710.** RCW 70A.65.240 and 2022 c 182 s 101 are each amended
18 to read as follows:

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

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

- 4 (a) Active transportation;
- 5 (b) Transit programs and projects;
- 6 (c) Alternative fuel and electrification;
- 7 (d) Ferries; and
- 8 (e) Rail.

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

12 **Sec. 711.** RCW 46.68.520 and 2022 c 182 s 402 are each amended to
13 read as follows:

14 The move ahead WA flexible account is created in the state
15 treasury. Moneys in the account may be spent only after
16 appropriation. Expenditures from the account may be used only for
17 transportation projects, programs, or activities identified as move
18 ahead WA projects, programs, or activities in an omnibus
19 transportation appropriations act. During the 2023-2025 fiscal
20 biennium, the legislature may direct the state treasurer to make
21 transfers of moneys in the move ahead WA flexible account to the
22 Puget Sound ferry operations account and the motor vehicle fund.

23 **Sec. 712.** RCW 46.68.280 and 2019 c 416 s 706 are each amended to
24 read as follows:

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

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

5 ~~(3))~~ During the (~~2017-2019 and the 2019-2021~~) 2023-2025 fiscal
6 (~~biennia~~) biennium, the legislature may direct the state treasurer
7 to make transfers of moneys in the transportation 2003 account
8 (nickel account) to the (~~connecting Washington account, the Puget~~
9 ~~Sound capital construction account, and the Tacoma Narrows toll~~
10 ~~bridge~~) state patrol highway account.

11 ~~((4))~~ (3) The "nickel account" means the transportation 2003
12 account.

13 NEW SECTION. **Sec. 713.** Appropriations in this act from the
14 carbon emissions reduction account, climate transit programs account,
15 and climate active transportation account are subject to the
16 requirements of RCW 70A.65.030.

17 NEW SECTION. **Sec. 714. OFFICE SPACE USE REDUCTION.**

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

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

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

36 (4) It is the intent of the legislature that agencies,
37 institutions of higher education, and separately elected officials
38 with leases expiring in fiscal years 2026 and 2027 work to reduce

1 their office space portfolio a minimum of 30 percent upon lease
2 renewal or when requesting office relocation. The reductions in costs
3 will be reflected in subsequent budgets.

4 (5) Agencies must complete the following:

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

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

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

14 (d) Maintain a telework policy in accordance with executive order
15 16-07, building a modern work environment.

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

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

(End of part)

1 **MISCELLANEOUS**

2 NEW SECTION. **Sec. 801.** If any provision of this act or its
3 application to any person or circumstance is held invalid, the
4 remainder of the act or the application of the provision to other
5 persons or circumstances is not affected.

6 NEW SECTION. **Sec. 802.** This act is necessary for the immediate
7 preservation of the public peace, health, or safety, or support of
8 the state government and its existing public institutions, and takes
9 effect immediately.

(End of Bill)

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