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# Decision Package Summary

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**State of Washington**  
**Agency Budget Request Decision Package Summary**

**Agency: 405 Department of Transportation**  
**Budget Period: 2013-15**

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# Individual Decision Packages

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**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** 8F Fuel Rate Adjustment  
**Budget Period:** 2013-15  
**Budget Level:** ML – Maintenance Level

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- Programs:** B – Toll Operations and Maintenance  
 C – Information Technology  
 D – Facilities – Operating  
 E – Transportation Equipment Fund  
 F – Aviation  
 H – Program Delivery Mgmt. & Support  
 M – Highway Maintenance & Operations  
 Q – Traffic Operations – Operating  
 S – Transportation Management & Support  
 T – Transportation Planning, Data, & Research  
 V – Public Transportation  
 X – Ferries – Operating  
 Y – Rail – Operating  
 Z – Local Programs – Operating

**Recommendation Summary**

Funding is requested for increased Transportation Equipment Fund (TEF) equipment rental rates related to higher gas and diesel fuel costs for department motor vehicles and equipment used to operate and maintain the highway system. The department has approximately 6,500 vehicles of all types that will use approximately 7.7 million gallons of fuel in the 2013-15 biennium. Based on the June 2012 Fuel Price Forecast, an additional appropriation of \$2.9 million is needed. This package also requests an increase in the agency’s TEF spending authority of \$7.5 million for increased expenditures for fuel for the department, and for fuel sold to other agencies.

**Fiscal Detail**

<b>Agency Total by Fund</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
039-1 Aviation-State	1,000	1,000	2,000	2,000	2,000
09F-1 HOT Lanes	2,000	1,000	3,000	3,000	3,000
108-1 MVA-State	1,440,000	1,436,000	2,876,000	2,876,000	2,876,000
109-1 Puget Snd Ferry	22,000	21,000	43,000	43,000	43,000
218-1 Multimodal-State	2,000		2,000	2,000	2,000
<b>Total Appropriated Funds</b>	1,467,000	1,459,000	2,926,000	2,926,000	2,926,000
410-6 Non-appropriated	4,128,000	3,395,000	7,523,000	7,523,000	7,523,000
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
Staffing FTEs	0.0	0.0	0.0	0.0	0.0

**Detail by Fund and Program**

<b>Fund 039-1</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
Pgm. F-Aviation	1,000	1,000	2,000	2,000	2,000

<b>Fund 09F-1 HOT Lanes</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
Pgm. B-Toll Oper&Maint.	2,000	1,000	3,000	3,000	3,000

<b>Fund 108-1 MVA-State</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
Pgm. C-Information Tech.	3,000	3,000	6,000	6,000	6,000
Pgm. D-Facilities Oper.	22,000	22,000	44,000	44,000	44,000
Pgm. H-Pgm. Delivery, Mgmt.	12,000	11,000	23,000	23,000	23,000
Pgm. M-Highway Maint.	1,330,000	1,329,000	2,659,000	2,659,000	2,659,000
Pgm. Q-Traffic Operations	59,000	59,000	118,000	118,000	118,000
Pgm. S-Transp. Mgmt.	2,000	2,000	4,000	4,000	4,000
Pgm. T-Transp.Planning,Data	9,000	8,000	17,000	17,000	17,000
Pgm. Z-Local Programs	3,000	2,000	5,000	5,000	5,000
<b>Subtotal Fund 108-1</b>	<b>1,440,000</b>	<b>1,436,000</b>	<b>2,876,000</b>	<b>2,876,000</b>	<b>2,876,000</b>

<b>Fund 109-1 Puget Snd Ferry</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
Pgm. X-Ferries-Operating	22,000	21,000	43,000	43,000	43,000

<b>Fund 218-1 Multi-Modal</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
Pgm. V-Public Transp.	1,000	-	1,000	1,000	1,000
Pgm. Y-Rail-Operating	1,000	-	1,000	1,000	1,000
<b>Subtotal Fund 218-1</b>	<b>2,000</b>	<b>-</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>

<b>Fund 410-6 Non-appropriatd</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
Program E-TEF	4,128,000	3,395,000	7,523,000	7,523,000	7,523,000

**Package Description**

TEF is responsible for the acquisition and operating costs of vehicles and equipment utilized by department programs. As a non-appropriated, proprietary, internal service fund, TEF charges rent for the use of this equipment. Rental rates paid by department programs include the cost of fuel. The additional appropriations of \$2.9 million will allow operating programs to pay TEF for increased equipment rental rates due to fuel costs. The impact of increased TEF rental rates for the capital programs is assumed in the project appropriations (Decision Package AA). This package also requests an increase in TEF spending authority of \$7.5 million for increased expenditures for fuel for the department and for fuel sold to other agencies.

**Narrative Justification and Impact**

**What specific performance outcomes does the agency expect?**

Providing funding for increasing fuel costs supports the department's performance in state highway maintenance and operations.

## Performance Measure Detail

N/A

### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Providing funding for increased fuel costs supports a variety of department services, notably highway maintenance and traffic operations. These programs support the department's mission to keep people and businesses moving by operating and improving the state's transportation systems vital to our taxpayers and communities.

### **Does this decision package provide essential support to meet one of the Governor's priorities? If so, please describe.**

Yes. Operating programs, such as Highway Maintenance and Traffic Operations, support the Governor's priority to have a strong and reliable transportation system that efficiently moves people, goods, and services.

### **Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes. This funding supports WSDOT highway maintenance and operations activities, which would rate as high priorities in support of improved economic vitality and statewide mobility of people, goods and services.

### **Identify important connections or impacts related to this proposal.**

Vehicles and equipment used by the department are essential to meeting agency responsibilities. The desired outcome is to allow the department to provide necessary services such as snow and ice removal, highway maintenance, and other activities in order to operate and maintain the state transportation system.

### **What alternatives were explored, and why was this alternative chosen?**

The department has instituted the following fuel conservation measures: (1) a "no idle" policy that requires vehicle operators to turn off engines prior to leaving vehicles; (2) using energy-efficient LED lighting on equipment when possible; (3) teaching driving techniques that conserve fuel; (4) keeping equipment operating at peak efficiency; and (5) purchasing new equipment and updating existing equipment with fuel-saving technology when possible.

TEF's vehicles and equipment are essential to accomplishing the department's mission of operating and maintaining the state's highways. There are no cost-effective substitutes for the use of this equipment. As a result, there are minimal opportunities to economize on the use of fuel without reducing activities supported by the equipment. The alternative of requesting additional funding was chosen in order to maintain current levels of service.

### **What are the consequences of not funding this package?**

TEF would have to reduce expenditures to replace worn-out equipment (increasing the current \$33 million equipment replacement backlog), which would affect the capability of the

department to perform its mission. Department programs would have to reduce their services, which also would affect accomplishment of the agency's mission.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Expenditure Calculations and Assumptions**

This request is based on the June 2012 fuel price forecast of the Transportation Revenue Forecast Council and a forecast of fuel consumption based on the prior two-year average for each forecasted month. Both gasoline and diesel fuel prices are forecasted to increase approximately 50 cents per gallon in the 2013-15 biennium compared to expected average Fiscal Year (FY) 2013 prices. The department's gasoline fuel consumption is forecasted to decrease by 69,000 gallons, while diesel fuel consumption is forecasted to increase by 128,000 gallons.

Department fuel costs are included in TEF rental rates. The forecasted rental increase by program is shown in the following table. Capital programs I, P, and W are assumed to absorb the increase in fuel costs into the cost of capital projects.

<b>2013-15 Change in TEF Equipment Rental Due to Fuel</b>						
<b>From February 2012 Forecast for 2011-13 to June 2012 Forecast for 2013-15</b>						
		<b>WSDOT Equipment Rental</b>		<b>Funding Needed</b>		
<b>Pgm.</b>	<b>Description</b>	<b>2011-13 Forecast Rent Based on February 2012 Fuel Price Forecast</b>	<b>2013-15 Forecast Rent Based on June 2012 Fuel Price Forecast</b>	<b>Forecast Change in Equipment Rental</b>	<b>Adjustment for Capital Programs Absorbing Change in Fuel Cost</b>	<b>Change in Funding Needed</b>
B	Toll Oper.& Maint.	101,000	104,000	3,000		3,000
C	Info. Tech.	190,000	196,000	6,000		6,000
D	Facilities	1,376,000	1,420,000	44,000		44,000
F	Aviation	56,000	58,000	2,000		2,000
H	Pgm Delivery	705,000	728,000	23,000		23,000
I	Improvements	1,623,000	1,675,000	52,000	-52,000	0
M	Highway Maint & Oper.	82,673,000	85,332,000	2,659,000		2,659,000
P	Preservation	19,134,000	19,749,000	615,000	-615,000	0
Q	Traffic Operations	3,682,000	3,800,000	118,000		118,000
S	Trans. Mgmt.	112,000	116,000	4,000		4,000
T	Planning, Data, Rsrch.	515,000	532,000	17,000		17,000
V	Public Transportation	45,000	46,000	1,000		1,000
W	Ferries Construction	168,000	173,000	5,000	-5,000	0
X	Ferries Operations	1,332,000	1,375,000	43,000		43,000
Y	Rail Programs	22,000	23,000	1,000		1,000
Z	Local Programs	168,000	173,000	5,000		5,000
	<b>Subtotal WSDOT</b>	111,902,000	115,500,000	3,598,000	-672,000	2,926,000
	<b>Other Agencies</b>			3,925,000		
	<b>Total Program E</b>			7,523,000		

The following table shows the assumptions for average prices, consumption by gallons and type of fuel, and expenditures for 2011-13, compared to the fuel price forecast for 2013-15.

<b>TEF Estimated Fuel Prices, Gallons of Consumption, and Expenditures</b>									
<b>Current 2011-13 Budget Based on February 2012 Forecast</b>									
	WSDOT			Other Agencies			Total Program E		
	FY 12	FY 13	Biennium	FY 12	FY 13	Biennium	FY 12	FY 13	Biennium
<b>Gasoline</b>									
Gallons	1,424,580	1,431,947	2,856,527	2,908,856	2,885,192	5,794,048	4,333,436	4,317,139	8,650,575
Price Per Gallon	\$3.4487	\$3.5190	\$3.4840	\$3.4189	\$3.5190	\$3.4687	\$3.4487	\$3.5190	\$3.4738
<b>Total Unleaded</b>	\$4,913,000	\$5,039,000	\$9,952,000	\$9,945,000	\$10,153,000	\$20,098,000	\$14,858,000	\$15,192,000	\$30,050,000
<b>Diesel</b>									
Gallons	2,355,711	2,416,588	4,772,299	414,376	428,735	843,111	2,770,087	2,845,323	5,615,410
Price Per Gallon	\$3.9563	\$4.0603	\$4.0090	\$3.9360	\$4.0608	\$3.9995	\$3.9563	\$4.0603	\$4.0075
<b>Total Straight Diesel</b>	\$9,320,000	\$9,812,000	\$19,132,000	\$1,631,000	\$1,741,000	\$3,372,000	\$10,951,000	\$11,553,000	\$22,504,000
<b>Total Gas &amp; Diesel</b>									
Gallons	3,780,291	3,848,535	7,628,826	3,323,232	3,313,927	6,637,159	7,103,523	7,162,462	14,265,985
Dollars	\$14,233,000	\$14,851,000	\$29,084,000	\$11,576,000	\$11,894,000	\$23,470,000	\$25,809,000	\$26,745,000	\$52,554,000
<b>2013-15 Budget Based on June 2012 Fuel Forecast</b>									
	WSDOT			Other Agencies			Total Program E		
	FY 14	FY 15	Biennium	FY 14	FY 15	Biennium	FY 14	FY 15	Biennium
<b>Gasoline</b>									
Gallons	1,389,150	1,397,514	2,786,664	2,946,856	2,932,638	5,879,494	4,336,006	4,330,152	8,666,158
Price Per Gallon	\$4.0701	\$4.0143	\$4.0421	\$4.0698	\$4.0141	\$4.0420	\$4.0701	\$4.0143	\$4.0420
<b>Total Unleaded</b>	\$5,654,000	\$5,610,000	\$11,264,000	\$11,993,000	\$11,772,000	\$23,765,000	\$17,647,000	\$17,382,000	\$35,029,000
<b>Diesel</b>									
Gallons	2,447,855	2,452,792	4,900,647	412,725	417,789	830,514	2,860,580	2,870,581	5,731,161
Price Per Gallon	\$4.2964	\$4.4443	\$4.3704	\$4.2958	\$4.4448	\$4.3708	\$4.2964	\$4.4443	\$4.3705
<b>Total Diesel</b>	\$10,517,000	\$10,901,000	\$21,418,000	\$1,773,000	\$1,857,000	\$3,630,000	\$12,290,000	\$12,758,000	\$25,048,000
<b>Total Gas &amp; Diesel</b>									
Gallons	3,837,005	3,850,306	7,687,311	3,359,581	3,350,427	6,710,008	7,196,586	7,200,733	14,397,319
Dollars	\$16,171,000	\$16,511,000	\$32,682,000	\$13,766,000	\$13,629,000	\$27,395,000	\$29,937,000	\$30,140,000	\$60,077,000
<b>Change From 2011-13 Budget to June 2012 Forecast for 2013-15 Budget</b>									
	WSDOT			Other Agencies			Total Program E		
	FY 14	FY 15	Biennium	FY 14	FY 15	Biennium	FY 14	FY 15	Biennium
<b>Gasoline</b>									
Gallons	(35,430)	(34,433)	(69,863)	38,000	47,446	85,446	2,570	13,013	15,583
Price Per Gallon	0.6214	0.4953	0.5582	0.6509	0.4951	0.5733	0.6214	0.4953	0.5683
<b>Total Unleaded</b>	\$741,000	\$571,000	\$1,312,000	\$2,048,000	\$1,619,000	\$3,667,000	\$2,789,000	\$2,190,000	\$4,979,000
<b>Diesel</b>									
Gallons	92,144	36,204	128,348	(1,651)	(10,946)	(12,597)	90,493	25,258	115,751
Price Per Gallon	0.3401	0.3841	0.3615	0.3598	0.3840	0.3713	0.3401	0.3841	0.3629
<b>Total Diesel</b>	\$1,197,000	\$1,089,000	\$2,286,000	\$142,000	\$116,000	\$258,000	\$1,339,000	\$1,205,000	\$2,544,000
<b>Total Gas &amp; Diesel</b>									
Gallons	56,714	1,771	58,485	36,349	36,500	72,849	93,063	38,271	131,334
Dollars	\$1,938,000	\$1,660,000	<b>\$3,598,000</b>	\$2,190,000	\$1,735,000	<b>\$3,925,000</b>	\$4,128,000	\$3,395,000	<b>\$7,523,000</b>

**Delineate which costs or savings are one-time versus ongoing? What are the budget impacts in future biennia?**

Fuel cost increases are expected to be ongoing.

<b>Object of Expenditure Detail - Program E, Non-appropriated Funds</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
E - Goods and Services	1,938,000	1,660,000	3,598,000	3,598,000	3,598,000
F - Cost of Goods Sold	2,190,000	1,735,000	3,925,000	3,925,000	3,925,000
<b>Total by Object</b>	<b>4,128,000</b>	<b>3,395,000</b>	<b>7,523,000</b>	<b>7,523,000</b>	<b>7,523,000</b>

<b>Object of Expenditure Detail - Department Programs, Appropriated Funds</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
E - Goods and Services	1,467,000	1,459,000	2,926,000	2,926,000	2,926,000
<b>Total by Object</b>	<b>1,467,000</b>	<b>1,459,000</b>	<b>2,926,000</b>	<b>2,926,000</b>	<b>2,926,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** 8L Lease and Operating Adjustments  
**Budget Period:** 2013-15  
**Budget Level:** ML – Maintenance Level

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**Program:** U – Payments to Other Agencies

**Recommendation Summary**

Funding is requested for increased lease and operating costs for the Edna Lucille Goodrich (ELG) Building, located in Tumwater, Washington.

**Fiscal Detail**

Detail by Fund	FY 2014	FY 2015	2013-15	2015-17	2017-19
108-1 MVA-State	100,000	100,000	200,000	200,000	200,000
<b>Total by Fund</b>	<b>100,000</b>	<b>100,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
	FY 2014	FY 2015	2013-15	2015-17	2017-19
Staffing FTEs	0.0	0.0	0.0	0.0	0.0

**Package Description**

The ELG Building has scheduled lease payment increases that are based on an established schedule (see attached). For the 2013-15 biennium, lease costs will increase by \$99,000, while operating costs will increase by \$101,000. The ELG Building is currently occupied by Bridge, Information Technology, Communications, Facilities, and Equipment Management program staff. These costs are paid through Program U to the Department of Enterprise Services, which manages payments to the private entity that owns the building.

**Narrative Justification and Impact**

**What specific performance outcomes does the agency expect?**

N/A

**Performance Measure Detail**

N/A

**Is this decision package essential to implement a strategy identified in the agency’s strategic plan? If so, please describe.**

N/A

**Does this decision package provide essential support to meet one of the Governor’s priorities? If so, please describe.**

N/A

**Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

N/A

**Identify important connections or impacts related to this proposal.**

The requested funding is needed to cover unavoidable lease and operating cost increases for the ELG Building.

**What alternatives were explored, and why was this alternative chosen?**

ELG Building lease and operating cost increases are unavoidable and have no alternative funding sources.

**What are the consequences of not funding this package?**

Not funding this package may require shifting funds away from activities of program tenants.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Expenditure Calculations and Assumptions**

Lease cost increase of \$99,000 is fixed by the lease agreement. The \$101,000 operating cost reflects an increase of 6.23 percent above the estimated 2011-13 costs of \$1,621,000 (the same percent increase as between 2009-11 and 2011-13 operating costs).

**Delineate which costs or savings are one-time versus ongoing? What are the budget impacts in future biennia?**

All costs are ongoing.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
E - Goods and Services	100,000	100,000	200,000	200,000	200,000
<b>Total by Object</b>	<b>100,000</b>	<b>100,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>



**EXHIBIT B**  
**Rental Rate (fixed for Sublease Term)**

Payment Due Date	Bond Payments		Allocation Between Tenants per month		Per SF per Year (Rounded)	
	Total Monthly Payment	Per SF per year	Department of Corrections	Department of Transportation	Department of Corrections	Department of Transportation
1-Jan-06	\$250,539.90	\$14.15	\$143,434.09	\$107,105.81	\$14.14	\$14.17
1-Feb-06	\$250,539.90	\$14.15	\$143,434.09	\$107,105.81	\$14.14	\$14.17
1-Mar-06	\$250,539.90	\$14.15	\$143,434.09	\$107,105.81	\$14.14	\$14.17
1-Apr-06	\$250,539.90	\$14.15	\$143,434.09	\$107,105.81	\$14.14	\$14.17
1-May-06	\$250,539.90	\$14.15	\$143,434.09	\$107,105.81	\$14.14	\$14.17
1-Jun-06	\$250,539.90	\$14.15	\$143,434.09	\$107,105.81	\$14.14	\$14.17
1-Jul-06	\$250,539.90	\$14.15	\$143,434.09	\$107,105.81	\$14.14	\$14.17
1-Aug-06	\$250,539.90	\$14.15	\$143,434.09	\$107,105.81	\$14.14	\$14.17
1-Sep-06	\$250,539.90	\$14.15	\$143,434.09	\$107,105.81	\$14.14	\$14.17
1-Oct-06	\$250,539.90	\$14.15	\$143,434.09	\$107,105.81	\$14.14	\$14.17
1-Nov-06	\$250,539.90	\$14.15	\$143,434.09	\$107,105.81	\$14.14	\$14.17
1-Dec-06	\$250,539.90	\$14.15	\$143,434.09	\$107,105.81	\$14.14	\$14.17
1-Jan-07	\$250,539.90	\$14.15	\$143,434.09	\$107,105.81	\$14.14	\$14.17
1-Feb-07	\$250,539.90	\$14.15	\$143,434.09	\$107,105.81	\$14.14	\$14.17
1-Mar-07	\$250,539.90	\$14.15	\$143,434.09	\$107,105.81	\$14.14	\$14.17
1-Apr-07	\$250,539.90	\$14.15	\$143,434.09	\$107,105.81	\$14.14	\$14.17
1-May-07	\$250,539.90	\$14.15	\$143,434.09	\$107,105.81	\$14.14	\$14.17
1-Jun-07	\$250,539.90	\$14.15	\$143,434.09	\$107,105.81	\$14.14	\$14.17
1-Jul-07	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Aug-07	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Sep-07	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Oct-07	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Nov-07	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Dec-07	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Jan-08	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Feb-08	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Mar-08	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Apr-08	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-May-08	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Jun-08	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Jul-08	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Aug-08	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Sep-08	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Oct-08	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Nov-08	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Dec-08	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Jan-09	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Feb-09	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Mar-09	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Apr-09	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-May-09	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62
1-Jun-09	\$276,213.60	\$15.60	\$158,132.29	\$118,081.31	\$15.59	\$15.62

1-Jul-09	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Aug-09	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Sep-09	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Oct-09	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Nov-09	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Dec-09	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Jan-10	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Feb-10	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Mar-10	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Apr-10	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-May-10	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Jun-10	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Jul-10	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Aug-10	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Sep-10	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Oct-10	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Nov-10	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Dec-10	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Jan-11	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Feb-11	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Mar-11	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Apr-11	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-May-11	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Jun-11	\$308,084.40	\$17.40	\$176,378.32	\$131,706.08	\$17.39	\$17.42
1-Jul-11	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Aug-11	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Sep-11	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Oct-11	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Nov-11	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Dec-11	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Jan-12	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Feb-12	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Mar-12	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Apr-12	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-May-12	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Jun-12	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Jul-12	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Aug-12	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Sep-12	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Oct-12	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Nov-12	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Dec-12	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Jan-13	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Feb-13	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Mar-13	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Apr-13	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-May-13	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Jun-13	\$334,643.40	\$18.90	\$191,583.35	\$143,060.05	\$18.88	\$18.92
1-Jul-13	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Aug-13	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Sep-13	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Oct-13	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47

1-Nov-13	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Dec-13	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Jan-14	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Feb-14	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Mar-14	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Apr-14	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-May-14	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Jun-14	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Jul-14	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Aug-14	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Sep-14	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Oct-14	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Nov-14	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Dec-14	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Jan-15	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Feb-15	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Mar-15	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Apr-15	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-May-15	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Jun-15	\$344,308.20	\$19.45	\$197,116.44	\$147,191.76	\$19.43	\$19.47
1-Jul-15	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Aug-15	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Sep-15	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Oct-15	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Nov-15	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Dec-15	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Jan-16	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Feb-16	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Mar-16	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Apr-16	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-May-16	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Jun-16	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Jul-16	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Aug-16	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Sep-16	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Oct-16	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Nov-16	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Dec-16	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Jan-17	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Feb-17	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Mar-17	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Apr-17	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-May-17	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Jun-17	\$371,826.00	\$21.00	\$212,870.39	\$158,955.62	\$20.98	\$21.02
1-Jul-17	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Aug-17	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Sep-17	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Oct-17	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Nov-17	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Dec-17	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Jan-18	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Feb-18	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82

1-Mar-18	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Apr-18	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-May-18	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Jun-18	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Jul-18	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Aug-18	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Sep-18	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Oct-18	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Nov-18	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Dec-18	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Jan-19	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Feb-19	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Mar-19	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Apr-19	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-May-19	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Jun-19	\$385,958.50	\$21.80	\$220,961.24	\$164,997.26	\$21.78	\$21.82
1-Jul-19	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Aug-19	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Sep-19	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Oct-19	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Nov-19	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Dec-19	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Jan-20	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Feb-20	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Mar-20	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Apr-20	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-May-20	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Jun-20	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Jul-20	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Aug-20	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Sep-20	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Oct-20	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Nov-20	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Dec-20	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Jan-21	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Feb-21	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Mar-21	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Apr-21	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-May-21	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Jun-21	\$414,320.40	\$23.40	\$237,198.43	\$177,121.97	\$23.38	\$23.43
1-Jul-21	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Aug-21	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Sep-21	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Oct-21	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Nov-21	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Dec-21	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Jan-22	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Feb-22	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Mar-22	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Apr-22	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-May-22	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Jun-22	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63

1-Jul-22	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Aug-22	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Sep-22	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Oct-22	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Nov-22	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Dec-22	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Jan-23	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Feb-23	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Mar-23	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Apr-23	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-May-23	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Jun-23	\$435,567.60	\$24.60	\$249,362.45	\$186,205.15	\$24.58	\$24.63
1-Jul-23	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Aug-23	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Sep-23	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Oct-23	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Nov-23	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Dec-23	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Jan-24	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Feb-24	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Mar-24	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Apr-24	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-May-24	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Jun-24	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Jul-24	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Aug-24	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Sep-24	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Oct-24	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Nov-24	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Dec-24	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Jan-25	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Feb-25	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Mar-25	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Apr-25	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-May-25	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Jun-25	\$463,897.20	\$26.20	\$265,581.15	\$198,316.05	\$26.18	\$26.23
1-Jul-25	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Aug-25	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Sep-25	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Oct-25	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Nov-25	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Dec-25	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Jan-26	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Feb-26	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Mar-26	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Apr-26	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-May-26	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Jun-26	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Jul-26	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Aug-26	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Sep-26	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Oct-26	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53

1-Nov-26	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Dec-26	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Jan-27	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Feb-27	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Mar-27	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Apr-27	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-May-27	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Jun-27	\$486,915.00	\$27.50	\$278,758.84	\$208,156.16	\$27.48	\$27.53
1-Jul-27	\$407,238.00	\$23.00	\$233,143.76	\$174,094.25	\$22.98	\$23.03
1-Aug-27	\$407,238.00	\$23.00	\$233,143.76	\$174,094.25	\$22.98	\$23.03
1-Sep-27	\$407,238.00	\$23.00	\$233,143.76	\$174,094.25	\$22.98	\$23.03
1-Oct-27	\$407,238.00	\$23.00	\$233,143.76	\$174,094.25	\$22.98	\$23.03
1-Nov-27	\$407,238.00	\$23.00	\$233,143.76	\$174,094.25	\$22.98	\$23.03
1-Dec-27	\$407,238.00	\$23.00	\$233,143.76	\$174,094.25	\$22.98	\$23.03
1-Jan-28	\$407,238.00	\$23.00	\$233,143.76	\$174,094.25	\$22.98	\$23.03
1-Feb-28	\$407,238.00	\$23.00	\$233,143.76	\$174,094.25	\$22.98	\$23.03
1-Mar-28	\$407,238.00	\$23.00	\$233,143.76	\$174,094.25	\$22.98	\$23.03
1-Apr-28	\$407,238.00	\$23.00	\$233,143.76	\$174,094.25	\$22.98	\$23.03
1-May-28	\$407,238.00	\$23.00	\$233,143.76	\$174,094.25	\$22.98	\$23.03
1-Jun-28	\$366,547.79	\$20.70	\$209,848.61	\$156,699.18	\$20.68	\$20.73

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** 8U Utility Rate Adjustment  
**Budget Period:** 2013-15  
**Budget Level:** ML – Maintenance Level

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**Program:** M – Highway Maintenance & Operations  
 D – Facilities

**Recommendation Summary**

Increased funding is requested to pay for electricity rate increases. Electricity is integral to the operation of highway system features such as signals and lighting, as well as the operation of 900 buildings and facilities statewide.

**Fiscal Detail**

Detail by Fund	FY 2014	FY 2015	2013-15	2015-17	2017-19
108-1 MVA-State	198,000	199,000	397,000	397,000	397,000
<b>Total by Fund</b>	<b>198,000</b>	<b>199,000</b>	<b>397,000</b>	<b>397,000</b>	<b>397,000</b>
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Package Description**

The Highway Maintenance Program (Program M) pays for the electricity to operate highway system features such as signals, highway lighting, Intelligent Transportation Systems (ITS), urban tunnels, and movable bridges. The Capital Facilities Program (Program D) pays for the cost of electricity at over 900 buildings situated on 296 distinct sites statewide.

The department purchases electricity from approximately 40 utility companies. Many of these companies purchase electricity wholesale from the Bonneville Power Administration (BPA), which raised its rates by 7.8 percent effective October 1, 2011. As wholesale rates rise, utility companies typically raise retail prices.

The table below shows recent rate increases as published by the Utilities and Transportation Commission (UTC) and individual utility companies.

Utility Company	Rate Increase	Effective Date
Benton County	5.40%	January 1, 2012
Clark Public Utilities	3.90%	October 25, 2011
Pacific Power	1.50%	June 1, 2012
Puget Sound Energy Inc.	3.20%	May 14, 2012
Snohomish County PUD	2.90%	April 11, 2012
Seattle City Light	7.50%	January 1, 2012
Tacoma Power	5.80%	April 11, 2011

## **Narrative Justification and Impact**

### **What specific performance outcomes does the agency expect?**

Providing funding for increasing utility costs supports the department's performance in state highway maintenance and operations.

### **Performance Measure Detail**

N/A

### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Providing funding for increased utility costs supports highway maintenance and operations, which are central to the department's mission to keep people and business moving.

### **Does this decision package provide essential support to meet one of the Governor's priorities? If so, please describe.**

Yes. The maintenance and operations of the state highway system support the Governor's priority to have a strong and reliable transportation system that efficiently moves people, goods, and services.

### **Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes. This funding supports WSDOT highway maintenance and operations activities, which would rate as high priorities in support of improved economic vitality and statewide mobility of people, goods and services.

### **Identify important connections or impacts related to this proposal.**

The requested funding is essential for keeping the highway system and facilities operational.

### **What alternatives were explored, and why was this alternative chosen?**

Electricity is essential for highway and facility operations. Other alternatives considered include the following:

Reduce consumption by closing buildings and turning off selected highway lights or features – Closing facilities to lower utility costs would impair the performance of department programs. Turning off highway lights or features could put public safety at risk.

Energy conservation – Measures are already in place to reduce energy consumption, such as Energy Savings Contracting (ESCO) projects and updating lighting systems so they are more efficient. These measures are not keeping up with cost increases.

Reduce other less essential activities – Highway and facility maintenance activities could be cut back and the savings used for the increased cost of electricity. Maintenance activities are already underfunded and a large maintenance backlog exists. Reducing maintenance further on highways and facilities would increase the risk of system failures.

**What are the consequences of not funding this package?**

Highway and facility maintenance activities would be further reduced, resulting in reduced levels of service for the traveling public, and facilities that are less functional for department employees.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Expenditure Calculations and Assumptions**

**Program M**

Utility Company	Biennial Base	Rate Increase	Incremental Increase	Effective Date
Clark Public Utilities	\$ 725,000	3.90%	\$ 28,000	October 25, 2011
Pacific Power	100,000	1.50%	2,000	June 1, 2012
Puget Sound Energy Inc.	5,009,000	3.20%	160,000	May 14, 2012
Snohomish County PUD	170,000	2.90%	5,000	April 11, 2012
Seattle City Light	1,498,000	7.50%	112,000	January 1, 2012
Other Utility Companies*	3,791,000			
<b>Total</b>	<b>\$ 11,293,000</b>		<b>\$ 307,000</b>	

**Program D**

Utility Company	Biennial Base	Rate Increase	Incremental Increase	Effective Date
Benton County	\$ 35,000	5.40%	\$ 2,000	January 1, 2012
Clark Public Utilities	335,000	3.90%	13,000	October 25, 2011
Pacific Power	240,000	1.50%	4,000	June 1, 2012
Puget Sound Energy Inc.	914,000	3.20%	29,000	May 14, 2012
Snohomish County PUD	63,000	2.90%	2,000	April 11, 2012
Seattle City Light	535,000	7.50%	40,000	January 1, 2012
Other Utility Companies*	1,565,000			
<b>Total</b>	<b>\$ 3,687,000</b>		<b>\$ 90,000</b>	

\*Other Utility Companies: The department purchases electricity from approximately 40 utility companies. Many of these utilities purchase wholesale electricity from the BPA, which raised rates by 7.8 percent, effective October 1, 2011. Some utilities pass some or all of this increase to customers. Funding for the 40 utility companies is not being requested at this time because the agency does not have documentation as to the specific rate increases.

Assumptions

- The base budget is equal to actual expenditures for 2009-11.
- The sources of information for the rate increases are the UTC and utility companies.

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

All cost increases are expected to be ongoing.

<b>Expenditure Detail by Program</b>					
<b>Program</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Program M</b>	153,000	154,000	307,000	307,000	307,000
<b>Program D</b>	45,000	45,000	90,000	90,000	90,000
<b>Total by Fund</b>	198,000	199,000	397,000	397,000	397,000
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Total Staffing FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
E - Goods and Services	198,000	199,000	397,000	397,000	397,000
<b>Total by Object</b>	<b>198,000</b>	<b>199,000</b>	<b>397,000</b>	<b>397,000</b>	<b>397,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Code/Title:** AA Capital Projects  
**Budget Period:** 2013-15  
**Budget Level:** ML – Inflation and Other Rate Changes

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**Recommendation Summary**

Funding is provided for projects that are detailed in the Transportation Executive Information System (TEIS).

**Agency Total**

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Total</u></b>
02M-1	Essential Rail Assistance Account-State	227,500	227,500	455,000
094-1	Transportation Infrastructure Acct-State	4,291,000	4,291,000	8,582,000
096-1	Highway Infrastructure Account-State	103,500	103,500	207,000
096-2	Highway Infrastructure Account-Federal	801,000	801,000	1,602,000
099-1	Puget Sound Capital Construction-State	23,565,500	23,565,500	47,131,000
099-2	Puget Sound Capital Construction-Federal	40,723,000	40,723,000	81,446,000
099-7	Puget Sound Capital Construction-Private/Local	100,000	100,000	200,000
09E-1	Freight Mobility Investment Account-State	5,647,000	5,647,000	11,294,000
09H-1	Transportation Partnership Account-State	670,890,000	670,887,000	1,341,777,000
106-1	Highway Safety Account-State	9,625,000	9,625,000	19,250,000
108-1	Motor Vehicle Account-State	75,680,000	75,674,000	151,354,000
108-2	Motor Vehicle Account-Federal	542,937,000	542,930,000	1,085,867,000
108-7	Motor Vehicle Account-Private/Local	161,081,000	161,077,000	322,158,000
108-8	Motor Vehicle Account-Federal Stimulus	4,992,000	4,991,000	9,983,000
11E-1	Freight Mobility Multimodal Account-State	6,134,000	6,134,000	12,268,000
11E-7	Freight Mobility Multimodal Account-Private/Local	660,000	660,000	1,320,000
16J-1	SR #520 Corridor Account-State	207,475,000	207,476,000	414,951,000
16J-2	SR #520 Corridor Account-Federal	150,000,000	150,000,000	300,000,000
16J-T	SR #520 Corridor Account-Bond	108,885,000	108,885,000	217,770,000
218-1	Multimodal Transportation Account-State	25,161,000	25,161,000	50,322,000
218-2	Multimodal Transportation Account-Federal	55,666,500	55,665,500	111,332,000
218-8	Multimodal Transportation Account-Fed Stimulus	157,969,500	157,969,500	315,939,000
550-1	Transportation 2003 Acct (Nickel A)-State	230,756,500	230,753,500	461,510,000
535-1	Alaskan Way Viaduct Toll Account-State	53,286,000	53,285,000	106,571,000
XXX	Columbia River Crossing Toll Account-State	56,817,000	56,817,000	113,634,000
<b>Total Cost</b>		<b>2,593,474,000</b>	<b>2,593,449,000</b>	<b>5,186,923,000</b>
<b>Staffing</b>		<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Annual Average</u></b>
<b>FTEs</b>		<b>2,480.1</b>	<b>2,280.1</b>	<b>2,380.1</b>

**Program: D0C Plant Construction**

**Recommendation Summary**

Funding is provided for administrative support, Olympic Region site acquisition debt service payments, and preservation and improvement minor works projects. Projects are detailed in the TEIS List.

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Total</u></b>
108-1	Motor Vehicle Account-State	3,123,000	3,123,000	6,246,000
09H-1	Transportation Partnership Account-State	6,350,000	6,350,000	12,700,000
<b>Total Cost</b>		<b>9,473,000</b>	<b>9,473,000</b>	<b>18,946,000</b>
<b>Staffing</b>		<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Annual Average</u></b>
<b>FTEs</b>		<b>12.8</b>	<b>12.8</b>	<b>12.8</b>

**Program: I0C Improvements**

**Recommendation Summary**

Funding is provided for projects that increase highway capacity to move more vehicles, reduce congestion, correct highway safety deficiencies, improve the movement of freight goods, and reduce the impact of highway construction projects on the environment. Projects are detailed in the TEIS List.

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Total</u></b>
09H-1	Transportation Partnership Account-State	642,498,000	642,496,000	1,284,994,000
108-1	Motor Vehicle Account-State	31,637,000	31,634,000	63,271,000
108-2	Motor Vehicle Account-Federal	275,408,000	275,404,000	550,812,000
108-7	Motor Vehicle Account-Private/Local	156,302,000	156,299,000	312,601,000
108-8	Motor Vehicle Account-Federal Stimulus	4,992,000	4,991,000	9,983,000
16J-1	SR #520 Corridor Account-State	207,475,000	207,476,000	414,951,000
16J-2	SR #520 Corridor Account-Federal	150,000,000	150,000,000	300,000,000
16J-T	SR #520 Corridor Account-Bond	108,885,000	108,885,000	217,770,000
218-1	Multimodal Transportation Account-State	500,000	500,000	1,000,000
218-2	Multimodal Transportation Account-Federal	52,953,000	52,952,000	105,905,000
550-1	Transportation 2003 Acct (Nickel A)-State	173,575,000	173,573,000	347,148,000
535-1	Alaskan Way Viaduct Toll Account-State	53,286,000	53,285,000	106,571,000
XXX	Columbia River Crossing Toll Account-State	56,817,000	56,817,000	113,634,000
<b>Total Cost</b>		<b>1,914,328,000</b>	<b>1,914,312,000</b>	<b>3,828,640,000</b>
<b>Staffing</b>		<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Annual Average</u></b>
<b>FTEs</b>		<b>1,380.0</b>	<b>1,260.0</b>	<b>1,320.0</b>

**Program: P0C Preservation**

**Recommendation Summary**

Funding is provided for projects that maintain the structural integrity of the existing highway system, including preservation or rehabilitation of roadway pavements, safety features, bridges, and other structures and facilities. Projects are detailed in the TEIS List.

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Total</u></b>
09H-1	Transportation Partnership Account-State	18,584,000	18,583,000	37,167,000
106-1	Highway Safety Account-State	5,000,000	5,000,000	10,000,000
108-1	Motor Vehicle Account-State	38,270,000	38,267,000	76,537,000
108-2	Motor Vehicle Account-Federal	253,534,000	253,530,000	507,064,000
108-7	Motor Vehicle Account-Private/Local	4,779,000	4,778,000	9,557,000
550-1	Transportation 2003 Acct (Nickel A)-State	1,143,000	1,142,000	2,285,000
<b>Total Cost</b>		<b>321,310,000</b>	<b>321,300,000</b>	<b>642,610,000</b>
<b>Staffing</b>		<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Annual Average</u></b>
<b>FTEs</b>		<b>920.0</b>	<b>840.0</b>	<b>880.0</b>

**Program: Q0C Traffic Operations – Capital**

**Recommendation Summary**

Funding is provided for Intelligent Transportation System (ITS) projects that improve commercial vehicle operations, traveler information, and safety and congestion relief by applying advanced technology to transportation. Projects are detailed in the TEIS List.

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Total</u></b>
108-1	Motor Vehicle Account-State	1,597,000	1,597,000	3,194,000
108-2	Motor Vehicle Account-Federal	3,979,000	3,980,000	7,959,000
<b>Total Cost</b>		<b>5,576,000</b>	<b>5,577,000</b>	<b>11,153,000</b>
<b>Staffing</b>		<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Annual Average</u></b>
<b>FTEs</b>		<b>12.3</b>	<b>12.3</b>	<b>12.3</b>

**Program: W0C Ferries – Capital**

**Recommendation Summary**

Funding is provided for projects that preserve and improve existing ferry terminals and vessels. Highlights of the request are continuing design to replace the north trestle and terminal building at the Seattle Terminal, moderate construction activity at the Bainbridge and Point Defiance terminals, implementation of Phase 2 for the reservation system, minor construction

activity at various terminals, completion of two 144-car ferries, and targeted investments in 19 vessels. Projects are detailed in the TEIS List.

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Total</u></b>
099-1	Puget Sound Capital Construction-State	23,565,500	23,565,500	47,131,000
099-2	Puget Sound Capital Construction-Federal	40,723,000	40,723,000	81,446,000
099-7	Puget Sound Capital Construction-Private/Local	100,000	100,000	200,000
218-1	Multimodal Transportation Account-State	2,534,500	2,534,500	5,069,000
550-1	Transportation 2003 Acct (Nickel A)-State	56,038,500	56,038,500	112,077,000
<b>Total Cost</b>		<b>122,961,500</b>	<b>122,961,500</b>	<b>245,923,000</b>
<b>Staffing</b>		<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Annual Average</u></b>
<b>FTEs</b>		<b>126.0</b>	<b>126.0</b>	<b>126.0</b>

**Program: YOC Rail – Capital**

**Recommendation Summary**

Funding is provided for capital improvements to support intercity passenger rail service, including American Recovery and Reinvestment Act grants to further improve Amtrak Cascades service; emergent freight rail assistance to improve the movement of goods throughout the state; and low interest loans for improvements to publicly-owned rail infrastructure. Projects are detailed in the TEIS List.

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Total</u></b>
02M-1	Essential Rail Assistance Account-State	227,500	227,500	455,000
094-1	Transportation Infrastructure Acct-State	4,291,000	4,291,000	8,582,000
218-1	Multimodal Transportation Account-State	16,163,500	16,163,500	32,327,000
218-2	Multimodal Transportation Account-Federal	2,713,500	2,713,500	5,427,000
218-8	Multimodal Transportation Account-Federal Stimulus	157,969,500	157,969,500	315,939,000
<b>Total Cost</b>		<b>181,365,000</b>	<b>181,365,000</b>	<b>362,730,000</b>
<b>Staffing</b>		<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Annual Average</u></b>
<b>FTEs</b>		<b>29.0</b>	<b>29.0</b>	<b>29.0</b>

**Program: ZOC Local Programs – Capital**

**Recommendation Summary**

Funding is provided for various local priority projects throughout the state. Funding is also included for the Pedestrian/Bicycle Safety and Safe Route to Schools grant programs. Other major projects include those funded by the Freight Mobility Strategic Investment Board (FMSIB). Projects are detailed in the TEIS List.

## Fiscal Detail

<b>Operating Expenditures</b>		<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Total</u></b>
096-1	Highway Infrastructure Account-State	103,500	103,500	207,000
096-2	Highway Infrastructure Account-Federal	801,000	801,000	1,602,000
09E-1	Freight Mobility Investment Account-State	5,647,000	5,647,000	11,294,000
09H-1	Transportation Partnership Account-State	3,458,000	3,458,000	6,916,000
106-1	Highway Safety Account-State	4,625,000	4,625,000	9,250,000
108-1	Motor Vehicle Account-State	1,053,000	1,053,000	2,106,000
108-2	Motor Vehicle Account-Federal	10,016,000	10,016,000	20,032,000
11E-1	Freight Mobility Multimodal Account-State	6,134,000	6,134,000	12,268,000
11E-7	Freight Mobility Multimodal Account-Private/Local	660,000	660,000	1,320,000
218-1	Multimodal Transportation Account-State	5,963,000	5,963,000	11,926,000
<b>Total Cost</b>		<b>38,460,500</b>	<b>38,460,500</b>	<b>76,921,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** AC Building Code Compliance  
**Budget Period:** 2013-15  
**Budget Level:** ML – Maintenance Level

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**Program:** D – Facilities - Capital

**Recommendation Summary**

One-time funding is requested to implement “life safety” corrective actions to remedy multiple building code violations at the Olympic Region Headquarters (ORHQ), the Aberdeen Area Maintenance Facility in the Olympic Region, and the Northup Area Maintenance Facility in the Northwest Region. Without corrective action, staff may be prohibited from using these facilities that are essential to operate, maintain, and construct state highways.

**Fiscal Detail**

<b>Detail by Fund</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
108-1 MVA-State	2,000,000	1,730,000	3,730,000	0	0
<b>Total by Fund</b>	<b>2,000,000</b>	<b>1,730,000</b>	<b>3,730,000</b>	<b>0</b>	<b>0</b>
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.0</b>	<b>0.0</b>

**Package Description**

The ORHQ complex was built in 1938 and contains 21 separate structures; the Aberdeen Maintenance Facility was built in 1967 and contains 13 separate structures; and the Northup Maintenance Facility was built in 1968 and contains 11 separate structures. These buildings are 44 to 74 years old. Over the years, the department has altered and changed the use of buildings at these sites. Areas originally constructed as open vehicle storage bays have been enclosed for meeting and office space for maintenance personnel and storage. Consequently, the reconfigured areas are no longer compliant with building codes such as fire and other exiting requirements. The estimated cost to remedy these life safety code violations is \$1.8 million. Approximately \$700,000 of that amount would be to upgrade the fire sprinkler systems.

Building codes have evolved since these structures were built, but the structures have been exempt from the new codes due of “grandfather” clauses. The degree and value of the improvements to remedy life safety code violations will void “grandfather” clauses, which may trigger mandatory compliance with other codes such as electrical, structural, and plumbing. The scope of the upgrades required will be dependent upon the discretion of local building code enforcement officers. The department estimates that \$1.93 million will be needed to remedy these other code violations in addition to the \$1.8 million needed for life safety code remedies, for a total of \$3.73 million.

## **Narrative Justification and Impact**

**What specific performance outcomes does the agency expect?** Providing funding to maintain and preserve these facilities supports the department's performance of state highway maintenance and operations as well as construction activities.

### **Performance Measure Detail**

N/A

**Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

These facilities support a variety of department services, including highway maintenance and construction. These activities support the department's mission to keep people and business moving by operating and improving the state's transportation systems vital to our taxpayers and communities.

**Does this decision package provide essential support to meet one of the Governor's priorities? If so, please describe.**

Yes. These facilities are critical to support the department's core functions in support of the Governor's priority to have a strong and reliable transportation system that efficiently moves people, goods, and services.

**Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes. This funding supports WSDOT highway maintenance and construction activities, which would rate as high priorities in support of improved economic vitality and statewide mobility of people, goods and services.

**Identify important connections or impacts related to this proposal.**

Work will be coordinated between Headquarters Capital Facilities Office (HCFO) and the Olympic and Northwest Regions to minimize operational impacts. The HCFO will scope and administer the work. Olympic Region and Northwest Region may have to relocate functions during construction, which may result in additional costs.

**What alternatives were explored, and why was this alternative chosen?**

These facilities are key sites in support of daily maintenance, operation, and construction of state highways. These building spaces cannot be replicated at an alternate location, such as a leased site. The multiple buildings at these sites are in a configuration specifically designed to facilitate department operations. The building spaces that need remediation depend operationally and functionally on being located close to other site features such as the buildings used for administration, materials storage, parking, and fueling. The department is heavily invested at these particular sites. Until it is feasible to build new facilities, investments must be made so that the existing facilities are code compliant.

**What are the consequences of not funding this package?**

Building code enforcement authorities may restrict or deny access to spaces that are not compliant with building codes, which will impair the ability of the department to perform the basic functions of operating, maintaining, and constructing state highways.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Expenditure Calculations and Assumptions**

Costs are based on consultant architect evaluation and estimates, which are outlined in the attached spreadsheet.

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

These are one-time costs to correct building code violations.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
A - Salaries and Wages	40,000	40,000	80,000		
B - Benefits	13,000	13,000	26,000		
E - Goods and Services	1,445,000	1,676,000	3,121,000		
G - Travel	2,000	1,000	3,000		
J - Capital Outlay	500,000		500,000		
<b>Total by Object</b>	<b>2,000,000</b>	<b>1,730,000</b>	<b>3,730,000</b>	<b>0</b>	<b>0</b>

<b>Salary and FTE Detail</b>						
<b>List Positions by Classification</b>	<b>FTEs</b>			<b>Dollars</b>		
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
Architect 2	0.5	0.5	0.5	40,000	40,000	80,000
<b>Total</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>40,000</b>	<b>40,000</b>	<b>80,000</b>

<b>Out Biennia</b>				
<b>List Positions by Classification</b>	<b>FTEs</b>		<b>Dollars</b>	
	<b>2015-17</b>	<b>2017-19</b>	<b>2015-17</b>	<b>2017-19</b>
Architect 2	0.0	0.0	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>WSDOT Olympic Region Headquarters -- Building Code Compliance Cost Estimates</b>			
	<b>Life Safety Code Cost</b>	<b>Probable Triggered Bldg. Code Cost</b>	<b>Total</b>
<b>PROPOSED REVISIONS</b>			
<b>Building 1</b>			
<b>Method #2 (Separate Buildings)</b> - Calculate areas of Building 1 and 7 as separate buildings (Type IIIB construction with A-3 occupancy and Type VB construction with B occupancy) separated by 3 hour fire-rated wall located at south wall of Building 1	5,000		5,000
Other costs (design, project management, permits, consultant fees, environmental mitigation, etc.)	2,250		2,250
<b>Total Building 1</b>	<b>7,250</b>	<b>0</b>	<b>7,250</b>
<b>Building 2</b>			
Currently there is only one code compliant exit door on east side of the service bays at the center; the existing exit door at the south end is blocked by an oil tank which needs to be removed to make the exit code compliant. In addition to the two existing exits, IBC requires adding one additional exit door on northwest side with its location conforming to one-half the diagonal length of building and common path of travel distance.	26,000		26,000
Other costs (design, project management, permits, consultant fees, environmental mitigation, etc.)	11,700		11,700
<b>Total Building 2</b>	<b>37,700</b>	<b>0</b>	<b>37,700</b>
<b>Building 3</b>			
Currently there are no code compliant exit doors from the repair bay area. IBC requires adding one exit door in west wall of the existing repair bay bi-fold door which would require filling in the opening with CMU. The code could be interpreted in allowing the existing bifold door to be the means of egress if a sign is posted stating that "This door to remain unlocked when building is occupied", but only if approved by the building official.	10,000		10,000
The stair access, handrail, and ceiling height at the mezzanine do not conform to code requirements; therefore, we recommend abandoning the mezzanine as a storage area and removing the stairway.	1,000		1,000
Other costs (design, project management, permits, consultant fees, environmental mitigation, etc.)	4,950		4,950
<b>Total Building 3</b>	<b>15,950</b>	<b>0</b>	<b>15,950</b>
<b>Building 4</b>			
Existing building area exceeds code allowable area for construction type VB (non-rated); fire sprinkler system, entire building.	150,000		150,000
Each of the mezzanine floor areas (Bay 3A, Bay 5, and Bay 6) exceed the code allowed floor area (1/3 of main floor area in which mezzanine is located; or 1/2 of main floor area if fire sprinkler system is added)	165,500		165,500
Other costs (design, project management, permits, consultant fees, environmental mitigation, etc.)	141,975		141,975
<b>Total Building 4</b>	<b>457,475</b>	<b>0</b>	<b>457,475</b>

## WSDOT Olympic Region Headquarters -- Continued

	Life Safety Code Cost	Probable Triggered Bldg. Code Cost	Total
<b>PROPOSED REVISIONS</b>			
<b>Building 5</b>			
Bay 2A: Currently the paint storage room consists of fire rated walls and a non-fire rated ceiling. To be code compliant, a 2-hour fire rated ceiling assembly per the cost estimate needs to be provided or the room should not be used to store flammable materials.	2,600		2,600
Bay 4A and 4B: The current type and quantity of flammable liquids needs to be identified and inventoried by WSDOT. Storage of the flammable liquids (aerosol cans, gas and paint) in flammable storage cabinets is recommended where code mandated minimum quantities can be met.	2,000		2,000
Bay 8 through 12: No fire extinguisher in this bay. Provide fire extinguish to comply with code.	75		75
Occupancy, allowable area, and construction type do not conform to current IBC requirements. Refer to Bldg. 5 Option 1: Provide wet and dry fire sprinkler system throughout building.	320,000		320,000
Other costs (design, project management, permits, consultant fees, environmental mitigation, etc.)	146,104		146,104
<b>Total Building 5</b>	<b>470,779</b>	<b>0</b>	<b>470,779</b>
<b>Building 6</b>			
The current type and quantity of flammable liquids needs to be identified and inventoried by WSDOT. Storage of the flammable liquids (aerosol cans, gas and paint) in flammable storage cabinets is recommended where code mandated minimum quantities can be met.	2,000		2,000
Currently there are no code compliant exit doors from the repair bay area. IBC requires adding one exit door in west wall of the existing repair bay bi-fold door which would require filling in the opening with CMU. The code could be interpreted in allowing the existing bifold door to be the means of egress if a sign is posted stating that "This door to remain unlocked when building is occupied", but only if approved by the building official.	10,000		10,000
If alterations exceed 50% of the area of the building (Alterations - Level 3), structural upgrades are required as identified in the structural seismic evaluation summary and the cost estimate.		295,000	295,000
Other costs (design, project management, permits, consultant fees, environmental mitigation, etc.)	5,400	132,750	138,150
<b>Total Building 6</b>	<b>17,400</b>	<b>427,750</b>	<b>445,150</b>
<b>Building 7</b>			
If alterations exceed 50% of the area of the building (Alterations - Level 3), structural upgrades are required as identified in the structural seismic evaluation summary and the cost estimate.		600,000	600,000
Resolve existing exiting issues on revision drawings.	70,500		70,500
Connector - Replace egress door.	3,200		3,200
Other costs (design, project management, permits, consultant fees, environmental mitigation, etc.)	33,165	270,000	303,165
<b>Total Building 7</b>	<b>106,865</b>	<b>870,000</b>	<b>976,865</b>

<b>WSDOT Olympic Region Headquarters -- Continued</b>			
	<b>Life Safety Code Cost</b>	<b>Probable Triggered Bldg. Code Cost</b>	<b>Total</b>
<b>PROPOSED REVISIONS</b>			
<b>Building 8</b>			
Resolve existing exiting issues.	40,000		40,000
Other costs (design, project management, permits, consultant fees, environmental mitigation, etc.)	18,000		18,000
<b>Total Building 8</b>	<b>58,000</b>		<b>58,000</b>
<b>Total Olympic Region HQ</b>	<b>1,171,419</b>	<b>1,297,750</b>	<b>2,469,169</b>
<b>WSDOT Aberdeen Maintenance Facility -- Building Code Compliance Cost Estimates</b>			
	<b>Life Safety Code Cost</b>	<b>Probable Triggered Bldg. Code Cost</b>	<b>Total</b>
<b>PROPOSED REVISIONS</b>			
Provide second exit door from Conference Room. Best Solution is to post maximum occupancy 49 at both areas	200		200
Replace stairs at modular	5,376		5,376
Subtotal Building 1	5,576		5,576
Other costs (design, project management, permits, consultant fees, environmental mitigation, etc.)	2,230		2,230
<b>Totals Building 1</b>	<b>7,806</b>		<b>7,806</b>
Building was originally constructed as Type IIB (non-combustible steel); the addition of the 2 story material testing lab and the Bridge Crew Office with mezzanine above in Type VB wood framed construction requires re-classification of building as a Type VB which reduces allowable area and stories - construct 3 hr. occupancy separation.	70,992		70,992
Replace handrails at interior stairs	3,264		3,264
Modify mezzanine at storage area (forklift access only - remove stairs, add guardrails and ladder)	17,136		17,136
Exit from Bridge Crew Office through vehicle storage bays does not conform to Code.	31,488		31,488
Single egress doors from Material Testing Lab has non-conforming step down.	8,928		8,928
Paint storage not in compliance.	1,000		1,000
No toilet room facilities or drinking fountain; share toilet facilities with adjacent Building 1.		35,000	35,000
Asphalt pavement floor may not comply with interior floor finish classification required by IBC Section 804.		17,136	17,136
IBC Section 903.2.9.1 Item 4 requires an automatic fire sprinkler system in any repair garage with a fire area exceeding 5,000 sf.		62,208	62,208
Door hardware upgrade		3,456	3,456
Structural Upgrades* code trigger improvements greater than 50% of value		29,520	29,520
Other costs (design, project management, permits, consultant fees, environmental mitigation, etc.)	53,123	58,928	112,051
<b>Totals Building 2</b>	<b>185,931</b>	<b>206,248</b>	<b>392,179</b>
<b>Total Aberdeen Maintenance Facility</b>	<b>193,738</b>	<b>206,248</b>	<b>399,986</b>

## WSDOT Northup Maintenance Facility -- Building Code Compliance Cost Estimates

	Life Safety Code Cost	Probable Triggered Bldg. Code Cost	Total
<b>PROPOSED REVISIONS</b>			
<b>Building 1, Maintenance Facility - Public Access</b>			
Install panic hardware on (2) corridor exit doors	2,928		2,928
#3 - IBC 1011.1 requires lighted exit signs for exit doors. Install lighted exit signs for (6) corridor doors.	3,720		3,720
#4 Change (2) locksets on doors at each end of corridor 107 to latchsets to allow exiting from office spaces	672		672
#5 - Guardrail and handrail is not compliant at entrance sidewalk (need 42" height and max. 4" opening between rails. Add 60 lf of handrail at west access ramp.		25,180	25,180
Other costs (design, project management, permits, consultant fees, environmental mitigation, etc.)	2,928	10,072	13,000
<b>Total Building 1</b>	<b>10,248</b>	<b>35,252</b>	<b>45,500</b>
<b>Building 2, Northup Area 5 HQ Maintenance Facility - Shops</b>			
#10 Install guardrail and OSHA compliant ladder at mezzanine over 109B	5,280		5,280
#11 Stair, handrail and guardrail at mezzanine over 111A are out of compliance with IBC. Replace.	3,264		3,264
#12 Mezzanine room 201.* Construct walls at south and west open sides of mezzanine and classify space as a second floor in lieu of a mezzanine. Locate west wall under low headroom beam and revise lockers to accommodate new wall layout. Replace stair, handrail and guardrail to comply with IBC. Over allowed area.	16,248		16,248
#14 S.F. area of building is above code allowances. Install automatic fire sprinkler and install occupancy separation. Also, IBC Section 903.2.9.1 Item 4 requires an automatic fire sprinkler system in any repair garage with a fire area exceeding 5,000 sf.	224,136		224,136
#15 Egress upgrades	43,548		43,548
#18 - IBC Section 903.2.9.1 Item 4 requires an automatic fire sprinkler system in any repair garage with a fire area exceeding 5,000 sf.		62,208	62,208
#20 - Paint storage not in compliance.		5,000	5,000
ADA upgrades code trigger (Level one alterations)		76,320	76,320
Structural upgrades* code trigger improvements greater than 50% of value		101,554	101,554
Hazardous materials abatement asbestos and lead		25,000	25,000
Other costs (design, project management, permits, consultant fees, environmental mitigation, etc.)	131,614	121,537	253,151
<b>Total Building 2</b>	<b>424,090</b>	<b>391,619</b>	<b>815,709</b>
<b>Total Northup Maintenance Facility</b>	<b>434,338</b>	<b>426,871</b>	<b>861,209</b>
<b>Summary by Facility</b>			
Facility	Life Safety Code Cost	Probable Triggered Bldg. Code Cost	Total
Northup Maintenance Facility	434,338	426,871	861,209
Aberdeen Maintenance Facility	193,738	206,248	399,986
Olympic Region Headquarters	1,171,419	1,297,750	2,469,169
<b>Total</b>	<b>1,799,495</b>	<b>1,930,869</b>	<b>3,730,363</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** DA Wireless Leases  
**Budget Period:** 2013-15  
**Budget Level:** ML – Maintenance Level

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**Program:** D – Capital Facilities - Operating

**Recommendation Summary**

Funding is requested for unavoidable lease cost increases for wireless radio communication sites. The wireless communication system is essential for daily highway operations and is the primary source of communication during emergencies. This funding will allow the wireless communication system to function at current levels of service.

**Fiscal Detail**

<b>Detail by Fund</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
108-1 MVA-State	63,000	125,000	188,000	188,000	188,000
<b>Total by Fund</b>	<b>63,000</b>	<b>125,000</b>	<b>188,000</b>	<b>188,000</b>	<b>188,000</b>
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Package Description**

Statewide, the department uses 79 wireless communication sites to operate wireless radio communications. For some of those sites, there are separate leases for each element of the site. For example, there may be separate leases for the land, structures, equipment, tower, or tower space. The department has a total of 132 separate leases related to the 79 sites. The budget in 2011-13 for wireless communication site leases is \$1,078,000.

An additional \$188,000 in ongoing funding is needed for lease cost increases. Without the additional funding, radio sites may be vacated, creating holes in an essential communication network that is currently relied upon for highway maintenance, operations, and emergency response.

**Narrative Justification and Impact**

**What specific performance outcomes does the agency expect?**

Providing funding for increasing wireless lease costs supports the department’s daily operations and maintains vital communication sites during emergencies.

**Performance Measure Detail**

N/A

**Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Providing funding for increased wireless lease costs supports a variety of department services, such as highway maintenance and operations. These services support the department's mission to keep people and business moving by operating and improving the state's transportation systems vital to our taxpayers and communities.

**Does this decision package provide essential support to meet one of the Governor's priorities? If so, please describe.**

Yes. The department's wireless communication system supports the daily operations of Washington State Department of Transportation (WSDOT). These activities, such as highway maintenance and construction, support the Governor's priority to have a strong and reliable transportation system that efficiently moves people, goods, and services.

**Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes. This funding supports WSDOT highway maintenance, construction and operations activities, which would rate as high priorities in support of improved economic vitality and statewide mobility of people, goods and services.

**Identify important connections or impacts related to this proposal.**

The department's wireless communication system provides statewide radio communication, data, and information vital to multiple programs across the department, other agencies, and the traveling public. Not funding this proposal could result in reducing the number of sites, which would severely decrease the department's ability to maintain and operate the highway system, as well as maintain communications during emergencies.

**What alternatives were explored, and why was this alternative chosen?**

1. Closing Wireless Sites: Terminating leases for some wireless sites and reducing the wireless communication network would severely impact maintenance operations, emergency response, traffic management, and traveler information.
  - The Maintenance Program (Program M) would experience operational inefficiencies and reduced employee safety due to compromised communication between supervisor and staff in certain remote areas where there are no other communication options.
  - The Washington State Patrol, Department of Natural Resources, the State Emergency Management Division, and counties rely on the department's wireless communication infrastructure for communicating during emergency situations. Reduced wireless capability would lead to a loss of communication during a major disaster such as an earthquake or tsunami.
  - The ability to convey information to and from variable message signs, cameras, and other traffic management devices to traffic management centers would be reduced.

2. Reducing Building Facilities Preventive Maintenance (PM): The Facilities Maintenance and Operations program supports the daily operation of essential building facilities that support staff and equipment that are used to maintain, operate, and construct state highways. The 2011-13 enacted budget reduced PM by \$1.3 million and five full-time equivalent staff. Further reductions in PM would result in more equipment failures, increasing the need for corrective maintenance to building systems to keep them operational. PM is currently underfunded and cannot be further reduced without substantial impacts to occupants and building operations.

The recommended alternative of additional funding for unavoidable costs was selected to keep facilities open and operational without impacting occupant programs and agency performance.

**What are the consequences of not funding this package?**

Wireless sites would have to be vacated, which would compromise department and other agency operations.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Expenditure Calculations and Assumptions**

Type of Lease	Reason for Increase	Number of Leases	Dollar Increase
Annual and Renewal Increases	Contract terms include annual increases or renewal increases. These increases vary depending on the Consumer Price Index (CPI).	34	\$ 50,000
New Cost Leases	Existing sites where the lessor is now requiring rent. (No cost in the past.)	7	33,000
Leases Coming Due for Rent Adjustments	Rent review: vendor fifth year rent adjustments; 4% annually for each past year as stated in the agreement.	23	27,000
Wireless Preservation Capital Projects	Five preservation projects on the Wireless Communication Program Capital Project List will increase lease costs. (For additional tower space, for example.) Costs are estimated.	4	42,000
Wireless System Additions	Three improvement projects on the Wireless Communication Program Capital Project List will increase lease costs. These are for new sites that will increase wireless coverage in rural areas. There will be new lease costs associated with these projects. Costs are estimated.	3	36,000
<b>Total</b>		<b>71</b>	<b>\$188,000</b>

The attached spreadsheet provides the detail by individual lease for which a rate change has occurred, as well as prospective leases for capital projects.

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

This is an ongoing cost.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
E - Goods and Services	63,000	125,000	188,000	188,000	188,000
<b>Total by Object</b>	<b>63,000</b>	<b>125,000</b>	<b>188,000</b>	<b>188,000</b>	<b>188,000</b>

**WSDOT Capital Facilities 2013-15 Wireless Lease Budget Projection**

Annual and Term Renewal Increases														
Lessor	Site Lease	Lease QTY	Site Name	Rent Review	FY 12 Planned Cost	FY 13 Planned Cost	2011-13 Planned Cost	FY14 Projected Cost	FY15 Projected Cost	2013-15 Planned Cost	Change from 2011-13	Increase Stated in Lease	Projection Used	Notes
Inland Cellular	1	1	Bald Butte	7/1/2013	8,800	9,600	18,400	9,792	9,988	19,780	1,380	2%	2%	The annual 2% percent increase is stated in the lease.
Spectrasite Communications, INC	2	2	Buck Mt.	1/1/2013	35,773	37,204	72,977	38,692	40,240	78,932	5,955	4%	4%	The annual 4% percent increase is stated in the lease.
KOMO-TV	3	3	Capitol Peak /Komo TV	12/1/2012	3,127	3,344	6,471	3,478	3,617	7,095	623	4%	4%	The annual 4% percent increase is stated in the lease.
Chelan County PUD 1	4	4	Chelan Butte	7/1/2012	2,567	2,669	5,236	2,776	2,887	5,663	427	4%	4%	The annual 4% percent increase is stated in the lease.
SBA Structures	5	5	Chewelah	12/1/2012	3,421	3,592	7,013	3,772	3,960	7,732	719	5%	5%	The annual 5% percent increase is stated in the lease.
AT&T	6	6	Cooks Mt	10/1/2012	5,585	5,864	11,449	6,157	6,465	12,623	1,174	5%	5%	The annual 5% percent increase is stated in the lease.
Verizon Wireless	7	7	Crystal Mt (Grubstake)	12/31/2013	5,032	6,039	11,071	6,039	6,039	12,078	1,007	\$1,007	\$1,007	Third 5th year increase.
Day Wireless	8	8	Davis Peak	7/1/2012	13,369	13,904	27,273	14,460	15,038	29,498	2,225	4%	4%	The annual 4% percent increase is stated in the lease.
Inland Cellular	9	9	Dusty- Inland	7/1/2012	9,108	9,988	19,096	10,188	10,392	20,579	1,483	2%	2%	The annual 2% percent increase is stated in the lease.
American Tower	10	10	E Tiger Mt	8/1/2012	20,524	21,550	42,074	22,628	23,759	46,386	4,312	5%	5%	The annual 5% percent increase is stated in the lease.
Public Utility Dist. 1	11	11	Flagstaff	1/1/2013	4,173	4,298	8,471	4,427	4,560	8,987	516	3%	3%	The annual 3% percent increase is stated in the lease.
Hansen Harvester INC	12	12	Hansen Ranch	7/1/2012	12,167	12,654	24,821	13,160	13,686	26,846	2,025	4%	4%	The annual 4% percent increase is stated in the lease.
Day Wireless	13	13	Hart Road	1/1/2013	3,796	3,948	7,744	4,106	4,270	8,376	632	4%	4%	The annual 4% percent increase is stated in the lease.
Whisler Communications	14	14	Hoquiam	1/1/2013	4,428	4,561	8,989	4,698	4,839	9,536	547	3%	3%	The annual 3% percent increase is stated in the lease.
Renton Acquisition LLC-Rosche Grantor	15	15	Longacres	9/1/2012	2,508	2,583	5,091	2,660	2,740	5,401	310	3%	3%	The annual 3% percent increase is stated in the lease.
Avista Utilities	16	16	Magnuson Butte	4/1/2013	6,334	6,524	12,858	6,720	6,921	13,641	783	3%	3%	The annual 3% percent increase is stated in the lease.
Tacoma Public Works	17	17	Mineral Hill	8/31/2011	35,061	36,621	71,682	38,251	39,953	78,204	6,522	4.45%	4.45%	The annual 4.45% percent increase is stated in the lease.
Ulrich Trucking	18	18	Minot Peak	7/1/2012	5,615	5,799	11,414	6,031	6,272	12,303	889	4%	4%	Lease costs includes electricity costs. 4% based on annual rent increase.
WA State Parks	19	19	Mt Spokane	7/1/2012	10,848	11,173	22,021	11,509	11,854	23,363	1,341	3%	3%	The annual 3% percent increase is stated in the lease.
Inland Cellular	20	20	Odessa- Inland	7/1/2012	10,200	10,404	20,604	10,612	10,824	21,436	832	2%	2%	The annual 2% percent increase is stated in the lease.
Day Wireless	21	21	Pickens Hill	12/30/2012	2,101	2,164	4,265	2,229	2,296	4,525	260	3%	3%	The annual 3% percent increase is stated in the lease.
Inland Cellular	22	22	Pomeroy/Freeborn Rd	7/1/2012	9,600	9,792	19,392	9,988	10,188	20,175	783	2%	2%	The annual 2% percent increase is stated in the lease.
WA State Parks	23	23	Puffer Butte Land (State Parks)	12/31/2012	2,757	2,840	5,597	2,925	3,013	5,938	341	3%	3%	The annual 3% percent increase is stated in the lease.
Asotin		24	Puffer Butte Tower	10/1/2012	4,003	4,123	8,126	4,247	4,374	8,621	495	3%	3%	The annual 3% percent increase is stated in the lease.
American Tower	24	25	Queets	10/1/2012	13,557	14,236	27,793	14,948	15,695	30,643	2,850	5%	5%	The annual 5% percent increase is stated in the lease.
American Tower	25	26	Rainier Hill	4/1/2013	13,676	14,360	28,036	15,078	15,832	30,909	2,874	5%	5%	The annual 5% percent increase is stated in the lease.
Inland Cellular	26	27	Ritzville- Inland	7/1/2012	10,200	10,404	20,604	10,612	10,824	21,436	832	2%	2%	The annual 2% percent increase is stated in the lease.
Scoggin Family	27	28	Scoggins Hill	7/1/2012	3,263	3,394	6,657	3,529	3,670	7,200	543	4%	4%	The annual 4% percent increase is stated in the lease.

**WSDOT Capital Facilities 2013-15 Wireless Lease Budget Projection**

<b>Annual and Term Renewal Increases (Continued)</b>														
Lessor	Site Lease	Lease QTY	Site Name	Rent Review	FY 12 Planned Cost	FY 13 Planned Cost	2011-13 Planned Cost	FY14 Projected Cost	FY15 Projected Cost	2013-15 Planned Cost	Change from 2011-13	Increase Stated in Lease	Projection Used	Notes
Day Wireless	28	29	Signal Peak Equipment	1/1/2013	14,740	15,330	30,070	15,943	16,580	32,523	2,454	4%	4%	The annual 4% percent increase is stated in the lease.
Inland Cellular	29	30	Skyrocket Hill-Inland	7/1/2012	9,450	9,988	19,438	10,188	10,392	20,579	1,142	2%	2%	The annual 2% percent increase is stated in the lease.
American Tower	30	31	South Bradwood	5/1/2012	11,371	11,940	23,311	12,537	13,163	25,700	2,389	5%	5%	The annual 5% percent increase is stated in the lease.
WA State Parks	31	32	Step toe Butte -WS Parks	1/1/2013	4,685	4,826	9,511	4,970	5,119	10,090	579	3%	3%	The annual 3% percent increase is stated in the lease.
WA State Patrol		33	Step toe Butte WS Patrol	1/1/2013	651	670	1,321	690	711	1,401	80	3%	3%	The annual 3% percent increase is stated in the lease.
SDS Company	32	34	Underwood Mt	12/1/2012	2,106	2,190	4,296	2,278	2,369	4,647	351	4%	4%	The annual 4% percent increase is stated in the lease.
<b>Annual and Term Renewal Increases Subtotal</b>					<b>304,596</b>	<b>318,575</b>	<b>623,171</b>	<b>330,315</b>	<b>342,531</b>	<b>672,846</b>	<b>50,000</b>	<b>49675.87</b>		

<b>New Cost Leases</b>														
Lessor	Site Lease	Lease QTY	Site Name	Rent Review	FY 12 Planned Cost	FY 13 Planned Cost	2011-13 Planned Cost	FY14 Projected Cost	FY15 Projected Cost	2013-15 Planned Cost	Change from 2011-13	Increase Stated in Lease	Projection Used	Notes
WA State Patrol	33	35	Beezley (WSP)	7/1/2014	-	-	-	1,208	631	1,839	1,839	3%	3%	The annual 3% percent increase is stated in the lease.
WA State Patrol	34	36	Beverly (WSP)	7/1/2014	-	-	-	1,208	631	1,839	1,839	3%	3%	The annual 3% percent increase is stated in the lease.
Greller Family	35	37	Lind	6/30/2021	2,000	2,000	4,000	2,000	2,000	4,000	-	None	None	
WA State Patrol		38	Lind (WSP)	6/30/2011	358	369	727	380	391	771	44	3%	3%	The annual 3% percent increase is stated in the lease.
WA State Parks	36	39	Mt. Constitution	12/1/2012	7,300	7,873	15,173	8,109	8,352	16,462	1,289	3%	3%	The annual 3% percent increase is stated in the lease.
King County	37	40	Squak Mt.	6/30/2017		11,534	11,534	12,110	12,716	24,826	13,293	5%	5%	The annual 5% percent increase is stated in the lease.
Green Diamond	38	41	Summit (New lease - Region was paying)	6/30/2016	-	-	-	7,065	7,276	14,341	14,341	3%	3%	The annual 3% percent increase is stated in the lease.
<b>New Cost Leases Subtotal</b>					<b>9,658</b>	<b>21,775</b>	<b>31,433</b>	<b>32,080</b>	<b>31,998</b>	<b>64,078</b>	<b>32,644</b>			

<b>Leases Coming Due for Rent Adjustments</b>														
Lessor	Site Lease	Lease QTY	Site Name	Rent Review	FY 12 Planned Cost	FY 13 Planned Cost	2011-13 Planned Cost	FY14 Projected Cost	FY15 Projected Cost	2013-15 Planned Cost	Change from 2011-13	Increase Stated in Lease	Projection Used	Notes
DNR	39	42	Aeneas Mt	12/31/2013	4,362	4,362	8,724	5,234	5,234	10,469	1,745	20%	20%	Historically, the vendor 5th year rent adjustment has average from 18% to 20% or about 4% annually for each past year.
Century Link	40	43	Bethel Ridge	1/1/2013	13,460	13,863	27,323	14,279	14,708	28,987	1,664	CPI	3%	The average annual increase from 2008-2011 is 2.9%. Rent will increase. Cost unknown.
Valley Communications Center	41	44	Cambridge	7/1/2012	3,143	3,237	6,380	3,334	3,434	6,769	389	CPI	3%	The annual increase for FY12 is 2.7%.

**WSDOT Capital Facilities 2013-15 Wireless Lease Budget Projection**

<b>Leases Coming Due for Rent Adjustments (Continued)</b>														
Lessor	Site Lease	Lease QTY	Site Name	Rent Review	FY 12 Planned Cost	FY 13 Planned Cost	2011-13 Planned Cost	FY14 Projected Cost	FY15 Projected Cost	2013-15 Planned Cost	Change from 2011-13	Increase Stated in Lease	Projection Used	Notes
DNR	42	45	Capitol Peak (Equipment)	9/30/2013	11,003	11,003	22,006	13,203	13,203	26,407	4,401	20%	20%	Historically, the vendor 5th year rent adjustment has average from 18% to 20% or about 4% annually for each past year.
Broughton Land Co.	43	46	Dry Hollow	4/1/2015	1,665	1,665	3,330	1,665	1,998	3,663	333	20%	20%	The maximum increase allowed in lease for the year for the 5th year rental adjustments is 20%.
Longview Fibre Company	44	47	Gabi Mt/Blewett Pass	10/21/2012	1,909	1,938	3,847	1,967	1,997	3,964	117	CPI	2%	Estimated CPI percent.
DNR	45	48	Gold Mt	7/1/2013	1,268	1,268	2,536	1,522	1,522	3,044	508	20%	20%	Historically, the vendor 5th year rent adjustment has average from 18% to 20% or about 4% annually for each past year.
DNR	46	49	Joe Butte	6/30/2013	2,514	2,514	5,028	3,017	3,017	6,034	1,006	CPI	20%	Historically, the vendor 5th year rent adjustment has average from 18% to 20% or about 4% annually for each past year.
Benton PUD	47	50	Joe Butte EMD	1/1/2013	10,467	8,685	19,152	9,033	9,394	18,427	(725)	CPI	4%	Estimated CPI percent using the averaged 4% annual increase for the unavoidable leases.
DNR	48	51	Johnson Butte	7/1/2014	1,726	1,726	3,452	2,071	2,071	4,142	690	CPI	20%	Historically, the vendor 5th year rent adjustment has average from 18% to 20% or about 4% annually for each past year.
DNR	49	52	Maynard Pk. (Gardiner DNR)	7/1/2014	2,373	2,373	4,746	2,848	2,848	5,695	949	CPI	20%	Historically, the vendor 5th year rent adjustment has average from 18% to 20% or about 4% annually for each past year.
DNR	50	53	Naselle Ridge	12/31/2013	6,653	6,653	13,306	7,984	7,984	15,967	2,661	20%	20%	Historically, the vendor 5th year rent adjustment has average from 18% to 20% or about 4% annually for each past year.
Benton PUD	51	54	Prosser Butte EMD	11/1/2011	4,051	3,608	7,658	3,752	3,902	7,655	(4)	CPI	4%	Estimated CPI percent using the averaged 4% annual increase for the unavoidable leases.
Pacific County	52	55	Raymond /Holy Cross	1/1/2013	5,795	7,244	13,039	7,244	7,244	14,488	1,449	25%	25%	The maximum increase allowed in lease for the year for the 5th year rental adjustments is 25%.
WA State Patrol	53	56	Sumas	8/1/2013	4,177	8,679	12,856	10,415	10,415	20,830	7,974	20%	20%	Historically, the vendor 5th year rent adjustment has averaged from 18% to 20% or about 4% annually for each past year. WSP lease with DNR will be reviewed.
DNR	54	57	Sunnyside Slope	7/1/2013	2,178	2,178	4,356	2,614	2,614	5,227	871	20%	20%	Historically, the vendor 5th year rent adjustment has average from 18% to 20% or about 4% annually for each past year.

**WSDOT Capital Facilities 2013-15 Wireless Lease Budget Projection**

<b>Leases Coming Due for Rent Adjustments (Continued)</b>														
Lessor	Site Lease	Lease QTY	Site Name	Rent Review	FY 12 Planned Cost	FY 13 Planned Cost	2011-13 Planned Cost	FY14 Projected Cost	FY15 Projected Cost	2013-15 Planned Cost	Change from 2011-13	Increase Stated in Lease	Projection Used	Notes
Benton PUD	55	58	Umatilla Start	11/1/2011	1,931	1,720	3,652	1,789	1,861	3,650	(2)	CPI	4%	Estimated CPI percent using the averaged 4% annual increase for the unavoidable leases.
DNR	56	59	Whiskey Dick	7/1/2014	1,244	1,244	2,488	1,493	1,493	2,986	498	CPI	20%	Historically, the vendor 5th year rent adjustment has average from 18% to 20% or about 4% annually for each past year.
City of Seattle	57	60	Babcock Creek	7/15/2012	1,326	1,326	2,652	1,326	1,326	2,652	-	None	None	Lease pending update in 11-13 and will increase per Real Estate Service (RES). RES does not know the new rental amount. WSDOT has been paying current rental rate since 2002.
Hoffman Family	58	61	Bald Butte	1/2/2013		640	640	640	640	1,280	640	None		Last rental amount of \$3.2K was paid for 5 years in 2008. To meet budget policy for the renewal, the \$3.2K was averaged over five years. The fair market rental rate is unknown.
Ferry County PUD 1	59	62	Franson Peak	6/22/2013	50	50	100	50	50	100	-	3%	3%	The annual 3% percent increase will start 1 June 2013 after the rental review.
Trillium Corporation	60	63	Galbraith	12/31/2012	-	1,000	1,000	1,000	1,000	2,000	1,000	None	None	Last rental amount of \$5K was paid for 5 years in 2007. To meet budget policy for the renewal, the \$5K was averaged over five years. The fair market rental rate is unknown.
City of Seattle	61	64	Newhalem Radio & Ross Dam	3/24/2013	1,200	1,200	2,400	1,200	1,200	2,400	-	None	None	Annual review.
<b>Leases Coming Due for Rent Adjustments Subtotal</b>					<b>82,494</b>	<b>88,177</b>	<b>170,671</b>	<b>97,679</b>	<b>99,154</b>	<b>196,833</b>	<b>27,000</b>			

<b>Wireless Preservation Capital Projects</b>														
Lessor	Site Lease	Lease QTY	Site Name	Rent Review	FY 12 Planned Cost	FY 13 Planned Cost	2011-13 Planned Cost	FY14 Projected Cost	FY15 Projected Cost	2013-15 Planned Cost	Change from 2011-13	Increase Stated in Lease	Projection Used	Notes
Meridian Group			Crystal area	Preservation	-	-	-	2,500	2,500	5,000	5,000	Unknown	N/A	Cost estimated. Service not being reliable. Equipment upgrade.
Crown Pacific Inland AT&T SBA Structures			RubyCookChewelah	Preservation	-	-	-	10,000	10,000	20,000	20,000	Unknown	N/A	Cost estimated. Adding equipment from Ruby to Chewelah. Ruby lease was formally a no cost lease.
USFS			Mt Baker to Shuksan	Preservation	-	-	-	8,000	8,000	16,000	16,000	Unknown	N/A	Cost estimated. To move the diffraction path to a new location.
DNR & USFS			Pinus - Sumas	Preservation	-	-	-	500	500	1,000	1,000	Unknown	N/A	Cost estimated. Replace old system to current system.
<b>Wireless Preservation Capital Projects</b>					<b>-</b>	<b>-</b>	<b>-</b>	<b>21,000</b>	<b>21,000</b>	<b>42,000</b>	<b>42,000</b>			

**WSDOT Capital Facilities 2013-15 Wireless Lease Budget Projection**

<b>Wireless System Additions</b>														
Lessor	Site Lease	Lease QTY	Site Name	Rent Review	FY 12 Planned Cost	FY 13 Planned Cost	2011-13 Planned Cost	FY14 Projected Cost	FY15 Projected Cost	2013-15 Planned Cost	Change from 2011-13	Increase Stated in Lease	Projection Used	Notes
CRITFE			Stacker Butte	New	-	-	-	10,000	10,000	20,000	20,000	Unknown	N/A	Cost estimated. New lease site to purchase equipment and install building.
Private			Lilienthal	New	-	-	-	7,500	7,500	15,000	15,000	Unknown	N/A	Cost estimated. New lease site to improve coverage in SR25.
Pierce County			Pack Forest	New	-	-	-	1,000	-	1,000	1,000	Unknown	N/A	Cost estimated. New lease site with Pierce County along SR7.
<b>Wireless System Additions</b>					<b>-</b>	<b>-</b>	<b>-</b>	<b>18,500</b>	<b>17,500</b>	<b>36,000</b>	<b>36,000</b>			

<b>Total Decision Package</b>								
	FY 12 Planned Cost	FY 13 Planned Cost	2011-13 Planned Cost	FY14 Projected Cost	FY15 Projected Cost	2013-15 Planned Cost	Change from 2011-13	
<b>Wireless Lease Decision Package Total</b>	<b>396,748</b>	<b>428,527</b>	<b>825,275</b>	<b>499,574</b>	<b>512,183</b>	<b>1,011,757</b>	<b>187,644</b>	

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** MC Local Government Stormwater Fees  
**Period:** 2013-15  
**Budget Level:** ML – Maintenance Level

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**Program:** M – Maintenance

**Recommendation Summary**

Funding is provided for utility fees assessed by local governments as authorized by RCW 90.03.525 for the mitigation of stormwater runoff from state highways. Assessment fees for stormwater runoff have increased because more governments are charging assessments and actual rates are increasing.

**Fiscal Detail**

<b>Detail by Fund</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
108-1 MVA-State	177,000	177,000	354,000	354,000	354,000
<b>Total by Fund</b>	<b>177,000</b>	<b>177,000</b>	<b>354,000</b>	<b>354,000</b>	<b>354,000</b>
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Package Description**

In the 2007-09 biennium, Program M, Highway Maintenance and Operations, stormwater assessment fees totaled \$3,459,000. In 2009-11, the fees increased by \$354,000 to \$3,813,000. Highway maintenance activities were reduced so funds could be shifted to pay for this increase, but this shift is not sustainable. The requested funding will enable the curtailed highway maintenance activities to be resumed.

**Narrative Justification and Impact**

**What specific performance outcomes does the agency expect?**

Providing funding for increasing utility fees supports the department’s performance in state highway maintenance, measured by the Maintenance Accountability Process (MAP).

**Performance Measure Detail**

N/A

**Is this decision package essential to implement a strategy identified in the agency’s strategic plan? If so, please describe.**

The Highway Maintenance program supports the department’s mission to keep people and business moving by operating and improving the state’s transportation systems vital to our taxpayers and communities.

**Does this decision package provide essential support to meet one of the Governor’s priorities? If so, please describe.**

The Highway Maintenance program supports the Governor’s priority to have a strong and reliable transportation system that efficiently moves people, goods, and services.

**Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes. This funding supports Washington State Department of Transportation highway maintenance, which would rate as a high priority in support of improved economic vitality and statewide mobility of people, goods and services.

**Identify important connections or impacts related to this proposal.**

The payment of local government stormwater assessment fees is required by state law. If existing maintenance funds have to be used for stormwater assessment fees, levels of service will decline for activities such as pavement maintenance, guardrail, landscape, litter, nuisance vegetation, guidepost, and sign maintenance. Safety, reliability, and lowest cost management will be compromised for those activities.

**What alternatives were explored, and why was this alternative chosen?**

Continuing to use existing funds previously planned for other maintenance activities was considered, but not selected because this would continue to increase the highway maintenance backlog and reduce service levels.

**What are the consequences of not funding this package?**

The department will not have sufficient funds to pay all required local government stormwater assessments without reducing highway maintenance levels of service.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Expenditure Calculations and Assumptions**

The stormwater assessment increase of \$354,000 was calculated as the difference between the \$3,459,000 in stormwater assessment fees paid in the 2007-09 biennium and the \$3,813,000 paid in the 2009-11 biennium. The following table shows the history of Program M expenditures for local government stormwater utility fees.

<b>Program M Expenditures for Stormwater Assessments From Local Governments</b>									
<b>Local Government Entity</b>	<b>1995-97</b>	<b>1997-1999</b>	<b>1999-01</b>	<b>2001-03</b>	<b>2003-05</b>	<b>2005-07</b>	<b>2007-09</b>	<b>2009-11</b>	<b>Cumulative</b>
PIERCE COUNTY	105,484	68,829	360,595	350,205	326,987	117,832	265,976	345,241	
CITY OF RENTON	77,002	65,642	61,872	64,110	83,449	52,520	85,290	95,051	
CITY OF PUYALLUP	17,028	30,049	33,541	31,605	244				
CITY OF OLYMPIA	69,614	41,936	86,668	67,098	58,687	32,431	66,295	67,108	
CITY OF KENT	56,589	79,106	102,536	98,160	91,385	61,251	59,744	95,188	
CITY OF TUCKWILLA	64,939	428	116,083	98,772	61,682	91,290	133,166	97,489	
CITY OF BOTHEL	9,471	27,220	30,101	41,947	34,486			52,905	
CITY OF SEATAC	43,225	49,400	92,924	68,224	68,224	68,224	68,224	74,552	
CITY OF VANCOUVER	164,292	201,361	67,000	90,596		219,595		432,724	
CITY OF ISSAQUAH	48,368	64,263	74,701	67,608					
KITSAP COUNTY	40,585	187,692	67,001	35,252	81,453	183,998	221,385	20,692	
KING COUNTY	243,171	243,171	1,228,004	1,309,578	1,309,578	1,374,906	1,435,490	1,520,694	
SNOHOMISH COUNTY	84,501	133,149	133,390	288,723	331,010	319,516	391,315	161,157	
SKAGIT COUNTY			92,178	30,043	36,872	36,872	36,871	36,871	
CITY OF FEDERAL WAY	61,492		161,838	32,283	35,252				
BELLINGHAM STORMWATER FEES					69,015	89,272	88,727	88,727	
CITY OF TACOMA			520	436	731	1,164		4,631	
PORT ANGELES STORMWATER ENHANCEMENT			2,343						
CITY OF BELLEVUE	103,324					421,603	470,453	535,373	
DOUGLAS COUNTY SWU			28,119	9,828	29,484	9,828	29,484	21,529	
SPOKANE SWU			2,573						
CLARK COUNTY STORMWATER UTILITY FEES	20,879		149,328	161,322	161,322	93,196	91,918	162,978	
REDMOND	22,134								
NORTHBEND ASSESSMENT FEES				10,792				14,395	
<b>Total</b>	<b>1,232,098</b>	<b>1,192,246</b>	<b>2,891,317</b>	<b>2,856,583</b>	<b>2,779,862</b>	<b>3,173,498</b>	<b>3,458,733</b>	<b>3,812,911</b>	
<b>\$ Change from Previous Biennium</b>		<b>-39,852</b>	<b>1,699,071</b>	<b>-34,735</b>	<b>-76,721</b>	<b>393,636</b>	<b>285,235</b>	<b>354,178</b>	<b>2,580,813</b>
<b>% Change from Previous Biennium</b>				<b>-1.2%</b>	<b>-2.7%</b>	<b>14.2%</b>	<b>9.0%</b>	<b>10.2%</b>	
<b>Increased Funding to Program M for Stormwater Assessments</b>				<b>700,000</b>	<b>319,000</b>			<b>286,000</b>	<b>1,305,000</b>
<b>Difference Between the Change in Expenditures versus the Change in Funding</b>									<b>1,275,813</b>
Source: WSDOT Accounting System									

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

This is an ongoing funding request.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
E - Goods and Services	177,000	177,000	354,000	354,000	354,000
<b>Total by Object</b>	<b>177,000</b>	<b>177,000</b>	<b>354,000</b>	<b>354,000</b>	<b>354,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** TA Fund Source Adjustment  
**Budget Period:** 2013-15  
**Budget Level:** ML – Maintenance Level

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**Program:** T – Transportation Planning, Data and Research

**Recommendation Summary**

The recently enacted Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21) provides additional federal funding for the department. Eligible transportation planning activities will utilize some of these funds, which will lessen the need for state appropriation authority. In total, there is no change to Program T funding.

**Fiscal Detail**

<b>Detail by Fund</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
108-1 MVA-State	(1,500,000)	(1,500,000)	(3,000,000)	(3,000,000)	(3,000,000)
108-2 MVA-Federal	1,500,000	1,500,000	3,000,000	3,000,000	3,000,000
<b>Total by Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Package Description**

The recent Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21) authorization is estimated to provide additional funds over the biennium compared to previous forecasts. The department will federalize eligible transportation planning activities, resulting in offsetting reductions to state funding authority. In total, there is no change to the total funding level for Program T.

**Narrative Justification and Impact**

**What specific performance outcomes does the agency expect?**

N/A

**Performance Measure Detail**

N/A

**Is this decision package essential to implement a strategy identified in the agency’s strategic plan? If so, please describe.**

N/A

**Does this decision package provide essential support to one of the Governor’s priorities? If so, please describe.**

N/A

**Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

N/A

**Identify important connections or impacts related to this proposal.**

N/A

**What alternatives were explored, and why was this alternative chosen?**

WSDOT continues to look for alternate funding sources to preserve limited state resources.

**What are the consequences of not funding this package?**

If this package is not funded, the results would be under-utilization of federally eligible activities.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Expenditure Calculations and Assumptions**

The program’s overall federal carry-forward level is \$24.7 million. This proposal increases the federal funding level by \$3 million to \$27.7 million, with an off-setting decrease in state appropriated funds.

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

Federal funding is assumed to continue in future biennia.

**Objects of Expenditure**

This is a net zero change to Program T. Objects of expenditure are also assumed to transition as a net zero.

**Agency:** 405 Department of Transportation  
**Decision Package Code/Title:** VB Regional Mobility Grant Program  
**Budget Period:** 2013-15  
**Budget Level:** ML – Maintenance Level

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**Program:** V – Public Transportation

**Recommendation Summary**

Funding is provided to continue the Regional Mobility Grant program at previously authorized and planned levels. This program was included in the 16-year plan associated with the 2003 Transportation Funding Package. The Regional Mobility Grant program increases connectivity between counties and regional population centers. The program funds local projects that reduce the delay for people and goods, traffic congestion, and greenhouse gas emissions.

**Fiscal Detail**

<b>Detail by Fund</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
11B-1 Regional Mobility Grant	20,000,000	20,000,000	40,000,000	50,000,000	50,000,000
<b>Total by Fund</b>	20,000,000	20,000,000	40,000,000	50,000,000	50,000,000
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Package Description**

The Regional Mobility Grant program improves efficiency of congested regional transportation corridors through transit improvements to facilitate connection and coordination of transit services and planning among regions and jurisdictions. Regional Mobility Grants are competitively awarded to local governments (cities, counties, ports, and public transportation benefit areas) for public transportation projects that improve connections between cities and counties, provide rush hour transit on congested roadways, park and ride lots, and projects that reduce delay for people and goods in areas where the need for transportation alternatives is greatest.

The department requests funding for the Regional Mobility Grant program to continue at previously authorized levels.

**Narrative Justification and Impact Statement**

**What specific performance outcomes does the agency expect?**

Funding will allow the program to improve efficiency of congested regional transportation corridors through transit improvements to facilitate connection and coordination of transit services and planning among regions and jurisdictions; continue to reduce private automobile use, provide increased transportation options in congested areas, and improve the speed and reliability of travel times on busy roads. When the projects are fully operational, the current portfolio of Regional Mobility Grant projects will yield over 132,500,000 in reduced vehicle miles traveled per year. Additionally, the program expects to see continued reductions in

congestion, vehicle trips and vehicle miles traveled, and reductions in greenhouse gas emissions.

**Performance Measure Detail**

The key performance measures for Regional Mobility Grant projects are reductions in vehicle miles traveled (VMT) and vehicle trips, though many projects also report on travel time savings and other secondary measures. Each project’s performance targets are set forth in the project’s Performance Measurement Plan, which is reviewed and approved by the department prior to implementation. These plans establish baseline conditions for comparison with actual results, and identify data sources and the schedule for data collection to ensure consistent, meaningful results. Expected incremental change in annual performance targets varies among projects, but is expected to improve significantly as the project becomes fully established.

**Is this decision package essential to implement a strategy identified in the agency’s strategic plan? If so, please describe.**

The program increases Washington State’s transportation capacity by reducing private vehicle trips. The Regional Mobility Grant program directly supports the agency’s strategic initiatives to increase predictable movement of goods and people through the state and to enhance Washington’s quality of life through transportation investments that promote energy conservation, enhance healthy communities, and protect the environment

**Does this decision package provide essential support to one of the Governor’s priorities? If so, please describe.**

Yes. This program supports Governor Gregoire’s Washington Climate Change Challenge (Executive Order 09-05, Washington’s Leadership on Climate Change to reduce greenhouse gasses), VMT reduction benchmarks established in RCW 47.01.440, and Commute Trip Reduction law. Program success is measured in actual reductions in vehicle trips and vehicle miles traveled. The reduction of these private vehicle trips improves the speed and reliability of travel times in congested areas, allowing more efficient use of road space and improved economic activity.

**Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

The Regional Mobility Grant program directly addresses several key indicators and strategies included in the Priorities of Government results area of mobility and protection of natural resources.

**Identify important connections or impacts related to this proposal.**

An important aspect of the Regional Mobility Grant program is the role it plays in creating connections between jurisdictions and transportation benefit areas, bridging gaps in service that would occur due to political boundaries. The selection process favors projects which create inter-jurisdictional links between agencies and municipalities, including connections between Washington transit systems, and those in neighboring states. This program directly contributes

to a well-integrated transportation system through Washington, and helps ensure vital connections between its cities, counties, and neighboring states.

Rising congestion on Washington’s roads decreases quality of life and economic competitiveness. With population growth projected to continue in Washington State in the coming decades, demands on our transportation infrastructure will continue to increase. This rising demand, combined with scarcity of space and funding for large-scale expansion of the road network makes it imperative that we maximize the efficient use of existing transportation infrastructure, and provide transportation alternatives to the single occupant vehicle.

**What alternatives were explored by the agency, and why was this alternative chosen?**

Funding for this program was removed at the carry forward level. The department requests \$40 funding is provided, fewer projects would be funded during the biennium.

**What are the consequences of not funding this package?**

There are currently six projects scheduled to continue into the 2013-2015 biennium, contingent on the availability of funds. If funding is not provided, these projects will likely be put on hold, and facilities under construction, and real estate and right-of-way acquired will sit idle until alternatives for funding are secured.

**What is the relationship, if any, to the capital budget?**

N/A

**What changes would be required to existing statutes, rules, or contracts, in order to implement the proposed change?**

N/A

**Expenditure Calculations and Assumptions**

The details of planned expenditures will be established through the grant application process.

**Which costs and functions are one-time versus ongoing? What are the budget impacts in future biennia?**

The costs are ongoing.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
N - Grants	20,000,000	20,000,000	40,000,000	50,000,000	50,000,000
<b>Total by Object</b>	20,000,000	20,000,000	40,000,000	50,000,000	50,000,000

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** XA Ferries Labor Agreements  
**Budget Period:** 2013-15  
**Budget Level:** ML – Maintenance Level

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**Program:** X – Washington State Ferries Maintenance and Operations

**Recommendation Summary**

Funding is requested for ongoing costs related to the 2011-13 biennium collective bargaining agreements (CBAs) between the department and the marine labor unions. Specifically, costs associated with engine room employees’ overtime pay in lieu of compensatory time and callback time pay.

**Fiscal Detail**

Detail by Fund	FY 2014	FY 2015	2013-15	2015-17	2017-19
109-1 PSFOA-State	942,000	942,000	1,884,000	1,884,000	1,884,000
<b>Total by Fund</b>	<b>942,000</b>	<b>942,000</b>	<b>1,884,000</b>	<b>1,884,000</b>	<b>1,884,000</b>
	FY 2014	FY 2015	2013-15	2015-17	2017-19
<b>Staffing FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Package Description**

Based on estimated savings associated with the 2011-13 CBAs, the 2011 Legislature reduced Washington State Ferries’ operating budget by \$20 million per biennium. The department requests that approximately \$1.9 million be restored to pay for cost increases associated with: (1) How engine room employees are paid for overtime in lieu of compensatory time, and (2) How marine employees are paid for additional callback pay.

**Engine room employees’ overtime pay in lieu of compensatory time** is estimated to cost the department an additional \$1.1 million per biennium due to changes in the way engine room employees are paid.

- Additional costs for overtime pay is estimated to be \$3.1 million per biennium: Engine room employees, per the terms of the CBAs, work 84-hours per two-week work cycle which consists of 12-hour work days over seven consecutive days. This results in employees working an additional four hours every two weeks. Prior to these CBAs, the additional four hours were accrued as compensatory time. Under the new contracts, the additional four hours are now paid as overtime at one-and-a-half times the straight time pay rate.
- Savings associated with accruing less compensatory time is estimated to be \$2 million per biennium: Savings related to the change in pay from compensatory time to overtime are occurring as less compensatory time is used. Specifically, engine room employees are expected to use approximately 5,800 hours less compensatory time annually under the CBAs, saving approximately \$440,000 per biennium. In addition to these savings, based on Fiscal Year (FY) 2012 actuals, the usage of less compensatory time resulted in

needing five fewer relief employees. In FY 2014, it's assumed that an additional relief employee will not be needed, saving \$1.56 million per biennium (equal to six full-time equivalents (FTEs) x \$130,000 x 2 years).

**Additional callback pay for marine employees who are called back to work** is estimated to cost an additional \$784,000 per biennium. Prior to the 2011-13 CBAs, a call back to work was paid at two times the straight time rate of pay (8 hours x 2). Under the 2011-13 CBAs, employees who are called back for "unscheduled" work are paid at one-and-a-half times the straight time rate of pay (8 hours x 1.5) and three additional hours at straight pay (3 hours x 1). The three hours at straight pay was not reflected in the \$20 million savings. (Average annual callbacks over three years is 3,748 x average wage per hour \$34.84 x 3 hours x 2 (years) = \$784,000 per biennium.)

### **Narrative Justification and Impact**

#### **What specific performance outcomes does the agency expect?**

Employees will be paid at the level agreed upon in the CBAs.

#### **Performance Measure Detail**

N/A

#### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. This package supports the department's goal to operate an efficient transportation system.

#### **Does this decision package provide essential support to one of the Governor's priorities? If so, please describe.**

N/A

#### **Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

N/A

#### **Identify important connections or impacts related to this proposal.**

Insufficient funds to pay ferry employees could reduce ferry services. For example, there would be insufficient budget authority to operate at the legislatively-approved level of service.

#### **What alternatives were explored and why was this alternative chosen?**

N/A

#### **What are the consequences of not funding this package?**

There will not be enough budget authority to operate at the legislatively-approved level of service. This could lead to fewer trips on routes resulting in service reductions.

Other potential consequences are reductions in the vessel and terminal maintenance budget, which could lead to additional loss of services when vessels become inoperable. Customers could also experience a disruption in ferry service if ferry terminals are not able to operate due to mechanical or equipment failures.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Expenditure Calculations and Assumptions**

**Engine room employees’ overtime pay in lieu of compensatory time** is estimated to cost the department an additional \$1.1 million per biennium due to changes in the way engine room employees are paid, including:

- Additional costs for overtime pay is estimated to be \$3.1 million per biennium: Engine room employees, per the terms of the CBAs, work 84-hours per two-week work cycle which consists of 12-hour work days over seven consecutive days. This results in employees working an additional four hours every two weeks. Prior to these CBAs, the additional four hours were accrued as compensatory time. Under the new contracts, the additional four hours are now paid as overtime at one-and-a-half times the straight time pay rate.
- Savings associated with accruing less compensatory time is estimated to be \$2 million per biennium: Savings related to the change in pay from compensatory time to overtime are occurring as less compensatory time is used. Specifically, engine room employees are expected to use approximately 5,800 hours less compensatory time annually under the CBAs, saving approximately \$440,000 per biennium. In addition to these savings, based on Fiscal Year (FY) 2012 actuals, the usage of less compensatory time resulted in needing five fewer relief employees. In FY 2014, it’s assumed that an additional relief employee will not be needed, saving \$1.56 million per biennium (equal to six full-time equivalents (FTEs) x \$130,000 x 2 years).

<b>Assumptions based on CBA</b>	<b>Average Annual Cost/(Savings)</b>	<b>Biennial Cost/(Savings)</b>
Additional Overtime Pay	\$1,550,000	\$3,100,000
Six Fewer Relief Employees at \$130,000 Annual Savings per FTE	(\$780,000)	(\$1,560,000)
Reduced Use of Compensatory Time	(\$220,000)	(\$440,000)
<b>Additional Engine Room Cost</b>	<b>\$550,000</b>	<b>\$1,100,000</b>

**Additional callback pay for marine employees who are called back to work** is estimated to cost an additional \$784,000 per biennium.

- Prior to the 2011-13 CBAs, a call back to work was paid at two times the straight time rate of pay (8 hours x 2). Under the 2011-13 CBAs, employees who are called back for “unscheduled” work are paid at one-and-a-half times the straight time rate of pay (8 hours x 1.5) and three additional hours at straight pay (3 hours x 1).The three hours at straight pay was not reflected in the \$20 million savings. (Average annual callbacks over three years is 3,748 x average wage per hour \$34.84 x 3 hours x 2 (years) = \$784,000 per biennium.)

<b>Ferry Union</b>	<b>IBU<sup>1</sup></b>	<b>MEBA<sup>2</sup></b>	<b>MM&amp;P<sup>3</sup></b>	<b>Total</b>
2008 Callbacks	2,349	1,524	940	4,813
2009 Callbacks	1,627	965	1,050	3,642
2010 Callbacks	1,094	804	891	2,789
Average Annual Callbacks	1,690	1,098	960	3,748
Average Wage per Hour of Paid Overtime	\$25.86	\$39.33	\$45.50	\$34.84
<b>Total Annual Cost for 3 Additional Hours</b>	<b>\$131,000</b>	<b>\$130,000</b>	<b>\$131,000</b>	<b>\$392,000</b>

1-Inlandboatmen’s Union (IBU)

2-Marine Engineers’ Beneficial Association (MEBA)

3- Masters, Mates & Pilots (MM&P)

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

Ongoing.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
A - Salaries and Wages	754,000	754,000	1,508,000	1,508,000	1,508,000
B - Benefits	188,000	188,000	376,000	376,000	376,000
<b>Total by Object</b>	<b>942,000</b>	<b>942,000</b>	<b>1,884,000</b>	<b>1,884,000</b>	<b>1,884,000</b>

<b>Salary and FTE Detail</b>						
<b>List Positions by Classification</b>	<b>FTEs</b>			<b>Dollars</b>		
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
Deck Crew	N/A	N/A	N/A	210,000	210,000	420,000
Engine Crew	N/A	N/A	N/A	544,000	544,000	1,088,000
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>754,000</b>	<b>754,000</b>	<b>1,508,000</b>

<b>Out Biennia</b>				
<b>List Positions by Classification</b>	<b>FTEs</b>		<b>Dollars</b>	
	<b>2015-17</b>	<b>2017-19</b>	<b>2015-17</b>	<b>2017-19</b>
Deck Crew	N/A	N/A	420,000	420,000
Engine Crew	N/A	N/A	1,088,000	1,088,000
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>1,508,000</b>	<b>1,508,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** XD Vessel and Terminal Maintenance  
**Budget Period:** 2013-15  
**Budget Level:** ML – Maintenance Level

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**Program:** X – Washington State Ferries (WSF) Maintenance and Operations

**Recommendation Summary**

This package requests funding and 0.8 full-time equivalent (FTE) to address Washington State Ferries’ (WSF) operating program impacts due to reductions in WSF’s capital program, as well as constrained commercial shipyard dry dock access for vessel preservation work.

**Fiscal Detail**

Detail by Fund	FY 2014	FY 2015	2013-15	2015-17	2017-19
109-1 PSFOA-State	1,085,000	1,395,000	2,480,000	2,480,000	2,480,000
<b>Total by Fund</b>	<b>1,085,000</b>	<b>1,395,000</b>	<b>2,480,000</b>	<b>2,480,000</b>	<b>2,480,000</b>
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>

**Package Description**

Reductions in Washington State Ferries (WSF) capital program, as well as less access to shipyard dry dock for capital preservation, require additional maintenance activity which is paid out of WSF’s operating program (Program X). Significant declines in capital program funding will result in preservation work being deferred. When this occurs, operating maintenance funds are used instead to pay for vessel and terminal maintenance projects such as spot painting of hulls and vessel topsides in order to protect the integrity of the vessels until dry dock time is available.

Maintenance work impacts to the operating program include:

- Spot painting of hulls and other vessel components
- higher share of vessel dry-dock costs
- costs associated with vessel elevators, life rafts, and pipes on the Super and Jumbo Class vessels
- painting of terminal slips and transfer spans
- maintenance of transfer spans and overhead loading areas

Vessel Maintenance (\$1,580,000 per biennium)

- When a preservation paint project is deferred, maintenance funds are used for spot painting hulls and vessel topsides until dry-dock time becomes available (\$600,000 per biennium). Costs in the ferry capital preservation program can range from \$0.5 million to \$1 million for full hull painting and \$1 million to \$3.5 million for full topside painting.
- Certain vessel maintenance costs increase as vessels age and as more stringent United States Coast Guard (USCG) and other safety requirements become necessary. As such, vendor costs for elevators, life rafts, and piping have grown significantly over the past two biennia. For example, elevator maintenance costs have more than doubled over the last

three fiscal years from \$124,000 in FY 2010 to \$296,000 in FY 2012 due to additional elevators on the three Kwa-di Tabil class vessels, and to aging elevators throughout the ferry fleet. Costs for life rafts have increased from an average of \$11,000 per year (FY 2009-FY 2010) to an average of \$139,000 per year (FY 2011-FY 2012) due to aging life rafts throughout the fleet. Costs to maintain pipes and piping on the Jumbo and Super classes of vessels have more than doubled over the past four fiscal years from \$84,000 in FY 2009 to \$173,000 in FY 2012. Maintenance work on the Super and Jumbo class vessels has increased due to the age of these classes of vessels (the Supers will built in 1967 and the Issaquahs were built from 1979-1982). These types of costs are estimated to be \$780,000 per biennium.

- As less capital work is scheduled in the 2013-15 biennium, the operating program is estimated to bear a higher share of the general and shipyard administrative costs for dry-docking (\$200,000 per biennium).

Terminal Maintenance (0.8 FTE and \$900,000 per biennium)

- Additional painting of transfer spans and slips is necessary to keep terminals from deteriorating due to weather and marine conditions. Painting work at ferry terminals is complicated by their locations and multiple safety and environmental requirements. (\$570,000 per biennium).
- Additional system-wide maintenance of transfer spans and overhead passenger loading areas is required to keep them in good working condition. This includes aprons, towers and bridge seats for transfer spans and walkways, and foundations for overhead loading areas (\$180,000 per biennium).
- The additional maintenance work will require a proportionate increase in engineering for design work, bid review, and oversight and inspection of contracted maintenance work (0.8 FTE and \$150,000 per biennium).

**Narrative Justification and Impact**

**What specific performance outcomes does the agency expect?**

N/A

**Performance Measure Detail**

N/A

**Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. This package supports the department's goal to operate an efficient transportation system.

**Does this decision package provide essential support to one of the Governor's priorities? If so, please describe.**

Yes. This package supports the department's goal to operate an efficient transportation system.

**Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes. This package supports the department's goal to operate an efficient transportation system.

**Identify important connections or impacts related to this proposal.**

Vessel and terminal maintenance are integral parts of providing ferry services. Continual maintenance of vessels is required for USCG certification. Elevators are required to move passengers between the car decks and passenger areas. Life rafts must meet USCG requirements and are inspected as part of an annual general vessel inspection. Terminal structures and systems must function properly in order to efficiently move passengers and vehicles through terminals and onto ferry vessels.

**What alternatives were explored, and why was this alternative chosen?**

Vessel and terminal maintenance is a required activity and is essential for ferry service. Additional funding for preservation could minimize the need for additional maintenance, but this alternative was not chosen due to capital program constraints.

**What are the consequences of not funding this package?**

If this package is not funded, the risk of a vessel breaking down and/or failing a USCG inspection would increase. If a vessel is not available for service, there would be a reduction in ferry capacity due to a downsizing of vessels, an inability to maintain ferry service schedules, and an increase in wait times. If a terminal structure or system does not operate properly due to lower levels of maintenance, ferry service would be disrupted.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

## Expenditure Calculations and Assumptions

The Summary Table below describes the vessel and terminal maintenance costs by fiscal year.

### Summary of Vessel and Terminal Maintenance

	FY 2014	FY 2015	2013-15
<b>Vessel Maintenance</b>			
Spot Painting	\$ 300,000	\$ 300,000	\$ 600,000
Additional Dry Dock Costs	100,000	100,000	200,000
Elevators	172,000	172,000	344,000
Life Rafts	128,000	128,000	256,000
Pipes/Piping	90,000	90,000	180,000
<b>Subtotal Vessel Maintenance</b>	<b>790,000</b>	<b>790,000</b>	<b>1,580,000</b>
<b>Terminal Maintenance</b>			
Transfer Span, Slip, and Wingwall Painting	220,000	350,000	570,000
Transfer Span & Overhead Loading Maintenance		180,000	180,000
Labor	75,000	75,000	150,000
<b>Subtotal Terminal Maintenance</b>	<b>295,000</b>	<b>605,000</b>	<b>900,000</b>
<b>Total Vessel and Terminal Maintenance</b>	<b>\$1,085,000</b>	<b>\$1,395,000</b>	<b>\$2,480,000</b>

Vessel Maintenance (\$1,580,000 per biennium) includes:

Cost estimates for additional spot paintings:

- Hull spot painting of 2 vessels at \$200,000 per vessel: \$400,000  
+ Topside spot painting of 2 vessels at \$100,000 per vessel: \$200,000  
Total: \$600,000 per biennium, assuming one additional hull spot painting and one additional topside spot painting occurs per fiscal year (FY).

Cost estimate for additional operating cost for pooled charges for vessel dry-docking costs:

- Operating program's higher share of pooled cost for physical dry-docking of vessel and pooled administrative and temporary services: \$100,000 per year, or \$200,000 per biennium.

Cost estimate for additional vessel maintenance costs:

- FY 2012 Maintenance Cost for Elevators (Kone, Inc.): \$296,000  
- FY 2010 Maintenance Cost for Elevators (Kone, Inc.): \$124,000  
Additional annual cost for elevator maintenance: \$172,000 per year, \$344,000 per biennium.
- FY 2011 & 2012 Annual Average Maintenance Cost for Life Rafts (Marine Safety, Inc.): \$139,000  
- FY 2009 & 2010 Annual Average Maintenance Cost for Life Rafts (Marine Safety, Inc.): \$11,000  
Additional cost for life raft maintenance: \$128,000 per year, \$256,000 per biennium.  
(Costs are averaged for inspection and maintenance cycles.)

- FY 2012 Maintenance Cost for Pipes/Piping (Ferguson): \$173,000  
 - FY 2009 Maintenance Cost for Pipes/Piping (Ferguson): \$ 83,000  
 Additional cost for elevator maintenance: \$90,000 per year, \$180,000 per biennium.

Terminal Maintenance (\$900,000 per biennium) includes:

Cost estimate for additional terminal maintenance (painting):

- Although the cost may vary depending on the condition and size of the transfer span, painting is estimated at \$220,000 per span. Although the cost may vary depending on the condition and number of slips and wingwalls, painting of two slips, including touch-up work and terminal wingwall work is estimated to be \$350,000. Projects are scheduled in order of priority so the fiscal year split will likely differ, however the total cost is estimated to be \$570,000 per biennium.
- Maintenance of transfer spans and overhead passenger loading areas is estimated to be \$180,000 per biennium. This includes parts of transfer spans (aprons, towers, bridge seats, and electrical and mechanical systems) and overhead loading areas (walkways, foundations, elevator cabs, transfer spans, and electrical and mechanical systems). Cost estimates are based on system-wide needs at ferry terminals. Projects are scheduled in order of priority so the fiscal year split will likely differ.
- 0.8 FTE is necessary to support the additional terminal maintenance work. The cost for this position is \$150,000 per biennium. (Annual costs are \$57,000 for salary and \$18,000 for benefits for 0.8 FTE of a Transportation Engineer 4 job classification, based on the department salary pricing template.)

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

Ongoing. If the department has additional revenues in the future, the capital program may have more work based on additional funding, in which case the impacts in out-biennia would need to be reviewed. Conversely, if reductions in the capital program continue, costs could further increase for the operating program.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
A - Salaries and Wages	57,000	57,000	114,000	114,000	114,000
B - Benefits	18,000	18,000	36,000	36,000	36,000
E - Goods and Services	1,010,000	1,320,000	2,330,000	2,330,000	2,330,000
<b>Total by Object</b>	<b>1,085,000</b>	<b>1,395,000</b>	<b>2,480,000</b>	<b>2,480,000</b>	<b>2,480,000</b>

<b>Salary and FTE Detail</b>						
<b>List Positions by Classification</b>	<b>FTEs</b>			<b>Dollars</b>		
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
Transportation Engineer 4	0.8	0.8	0.8	57,000	57,000	114,000
<b>Total</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>57,000</b>	<b>57,000</b>	<b>114,000</b>

<b>Out Biennia</b>				
<b>List Positions by Classification</b>	<b>FTEs</b>		<b>Dollars</b>	
	<b>2015-17</b>	<b>2017-19</b>	<b>2015-17</b>	<b>2017-19</b>
Transportation Engineer 4	0.8	0.8	114,000	114,000
<b>Total</b>	<b>0.8</b>	<b>0.8</b>	<b>114,000</b>	<b>114,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** XF Marine Insurance Increase  
**Budget Period:** 2013-15  
**Budget Level:** ML – Maintenance Level

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**Program:** X – Washington State Ferries Maintenance and Operations

**Recommendation Summary**

Funding is requested to insure all of the department’s ferry terminals under the state’s Master Property Policy (MPP) instead of under a separate policy. Based on the cost of the insurance premium negotiated with Wells Fargo Insurance Services for Fiscal Year (FY) 2013, costs are estimated to increase from the current funding level (2011-13 biennium) of \$4.5 million to \$5.3 million in the 2013-15 biennium.

**Fiscal Detail**

Detail by Fund	FY 2014	FY 2015	2013-15	2015-17	2017-19
109-1 PSFOA-State	400,000	400,000	800,000	800,000	800,000
<b>Total by Fund</b>	<b>400,000</b>	<b>400,000</b>	<b>800,000</b>	<b>800,000</b>	<b>800,000</b>

**Package Description**

Funding is requested to insure all Washington State Department of Transportation (WSDOT) ferry terminals under the state’s Master Property Policy (MPP) instead of under a separate policy. (Insurance for ferry vessels will remain under the separate policy.) The added cost to move ferry terminals under the state’s MPP policy is \$800,000 per biennium (per Wells Fargo Insurance Services).

Department of Enterprise Services (DES) currently has \$4.5 million in its carry-forward level budget for the separate policy, including both vessels and terminals. Assuming the portion attributable to terminals only is shifted to the MPP policy, WSDOT’s cost to add terminals to the MPP policy is \$800,000 per biennium.

Under the current separate policy, WSDOT is responsible for paying the \$10 million deductible on terminals. Terminals valued below \$10 million are not covered under the separate policy. Moving terminals under the MPP policy would lower the deductible to \$1 million.

**Narrative Justification and Impact**

**What specific performance outcomes does the agency expect?**

N/A

**Performance Measure Detail**

N/A

**Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. This package supports the department's strategy to manage and minimize risks and liabilities.

**Does this decision package provide essential support to one of the Governor's priorities? If so, please describe.**

Yes. This proposal is in alignment with the Governor's priority for effective system governance and management.

**Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes. This proposal is in alignment with the strategy for effective system governance and management.

**Identify important connections or impacts related to this proposal.**

N/A

**What alternatives were explored, and why was this alternative chosen?**

The department considered not insuring ferry terminals valued at less than \$10 million. In general, state buildings are not insured against damage, but given the unique nature of ferry terminals (e.g., location, purpose, revenue generation, etc.), the department recommends insuring these terminals.

**What are the consequences of not funding this package?**

If funding is not provided, terminals would not be moved to the MPP policy, which would then negate the reduction of risk. In other words, the \$10 million deductible would not be reduced to \$1 million, leaving the department at risk for up to \$9 million in potential losses per terminal.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

#### **Expenditure Calculations and Assumptions**

The FY 2014 premium insurance cost is estimated based on the negotiated amount with Well Fargo Insurance Services for FY 2013. Premiums for FY 2015 will be based on the value of the vessels and terminals at that time. For purposes of this package, it's assumed that the values and the premium will remain the same. When and if the value of vessels and terminals increase, the cost of insurance would also increase.

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

All costs are ongoing.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
E - Goods and Services	400,000	400,000	800,000	800,000	800,000
<b>Total by Object</b>	<b>400,000</b>	<b>400,000</b>	<b>800,000</b>	<b>800,000</b>	<b>800,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Code/Title:** ZR Transp. Commission Fee Increases  
**Budget Period:** 2013-15  
**Budget Level:** ML – Maintenance Level

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**Programs:** B – Toll Operations and Maintenance  
 X – Washington State Ferries Maintenance and Operations

**Recommendation Summary**

The Transportation Commission has rate-setting authority to set tolls and state ferry fares. The Commission is expected to set and/or adjust fees related to the Tacoma Narrows Bridge (TNB), State Route (SR) 167 High Occupancy Toll (HOT) Lanes, SR 520, and state ferry fares, in the 2013-15 biennium.

**Revenue Detail**

**Washington State Department of Transportation (WSDOT) Total**

Fee/Fund	Source Code	FY 2014	FY 2015	2013-15
Ferry Fares/109	0497	2,276,000	5,298,000	7,574,000
TNB Tolls/511	0497	4,066,000	5,614,000	9,680,000
HOT Lane Tolls/09F	0497	1,023,000	1,060,000	2,083,000
SR 520 Tolls/16J	0497	See Explanation	See Explanation	See Explanation
<b>Total by Fund</b>		7,365,000	11,972,000	19,337,000

In response to Office of Financial Management (OFM) operating budget instructions, the Transportation Commission prepared the following responses for each fee category:

**Ferry Fares**

Justification for New or Increased Tax or Fee Requests

1. Tax or fee name: Ferry Fares.
2. Current tax or fee amount (FY 2013): Schedule varies by route and type of service. Average ferry fare transaction is \$6.90.
3. Proposed amount:
  - a. FY 2014 – The amounts of future fare increases are unknown at this time as the Transportation Commission sets ferry fares to meet revenue targets established in the biennial budget enacted by the Legislature. Future fare increases will likely be approximately 2.5 percent above current rates, if current legislative budget assumptions carry forward into the 2013-15 biennium.
  - b. FY 2015 – The amounts of future fare increases are unknown at this time as the Transportation Commission sets ferry fares to meet revenue targets established in the biennial budget enacted by the Legislature. Future fare increases will likely be approximately 2.5 percent above 2014 rates, if current legislative budget assumptions carry forward into the 2013-15 biennium.

4. Incremental change for each year:
  - a. FY 2014 – The amounts of future fare increases are unknown at this time as the Transportation Commission sets ferry fares to meet revenue targets established in the biennial budget enacted by the Legislature. Future fare increases will likely be approximately 2.5 percent above current rates, if current legislative budget assumptions carry forward into the 2013-15 biennium.
  - b. FY 2015 – The amounts of future fare increases are unknown at this time as the Transportation Commission sets ferry fares to meet revenue targets established in the biennial budget enacted by the Legislature. Future fare increases will likely be approximately 2.5 percent above 2014 rates, if current legislative budget assumptions carry forward into the 2013-15 biennium.
5. Expected implementation date: October 2013 and October 2014.
6. Estimated additional revenue generated by increase:
  - a. FY 2014 – \$2,276,000 (based on the June 2012 Transportation Revenue Forecast (Alternative 1) which assumes a 2.5 percent fare increase).
  - b. FY 2015 – \$5,298,000 (based on the June 2012 Transportation Revenue Forecast (Alternative 1) which assumes a 2.5 percent fare increase).
7. Justification for the increase and discussion of consequences of not increasing the tax or fee: Fares are proposed by WSDOT to the Transportation Commission based on input from ferry advisory groups, affected communities, and the financial needs of Washington State Ferries (WSF), per the enacted transportation budget. Based on this input and recommendations of the advisory groups and WSDOT, the Transportation Commission sets ferry fares and related fees for the state ferry system.

If fares are not adjusted, WSF Maintenance and Operations (Program X) budget would have to be reduced, which may result in delays for ferry vessel and/or ferry terminal maintenance. Without proper maintenance, there could be disruptions to ferry services due to a vessel breaking down or a terminal not able to receive ferries for loading and unloading of passengers and vehicles. In addition, the department may have to reduce service hours, reduce ferry capacity, and/or significantly alter the existing ferry service schedule.

8. Indication of any changes in who pays: No change.
9. Indication of any changes in methodology for determining the tax or fee: No change.
10. If tied to a budget request, Recommendation Summary code for the related expenditure request: ML-ZR Transp. Commission Fee Increases.
11. Alternatives to an increase considered: None considered. The Transportation budget request assumes established fare revenue targets will be achieved via fare increases.
12. Indication of whether the fee increase requires a statutory change, i.e. a separate bill: Statutory change is not required.

## **TNB Tolls**

### Justification for New or Increased Tax or Fee Requests

1. Tax or fee name: Tacoma Narrows Bridge Tolls.
2. Current tax or fee amount (FY 2013): \$4.00 electronic toll collection (ETC)/\$5.00 cash/\$6.00 pay by mail – Varies based on number of axles (up to six axles).

3. Proposed amount:
  - a. FY 2014 – Unknown at this time. The Transportation Commission determines toll rate adjustments based upon current revenues and estimates on futures costs and revenues. Toll rates must be set to cover those costs identified in current law, including debt payments, maintenance, operations, and insurance.
  - b. FY 2015 – Unknown at this time. The Transportation Commission determines toll rate adjustments based upon current revenues and estimates on futures costs and revenues. Toll rates must be set to cover those costs identified in current law, including debt payments, maintenance, operations, and insurance.
4. Incremental change for each year:
  - a. FY 2014 – Varies year by year. Rates are adjusted on an as-needed basis to ensure costs and requirements are being met based on current law mandates.
  - b. FY 2015 – Varies year by year. Rates are adjusted on an as-needed basis to ensure costs and requirements are being met based on current law mandates.
5. Expected implementation date: July 2013 and July 2014.
6. Estimated additional revenue generated by increase: These estimates are based on additional amounts needed to maintain sufficient fund balance in 2013-15, based on the June 2012 Transportation Revenue Forecast for Fund 511.
  - a. FY 2014 - \$4,066,000.
  - b. FY 2015 - \$5,614,000.
7. Justification for the increase and discussion of consequences of not increasing the tax or fee: Toll revenues fund construction, operations, maintenance, and reimbursement of debt service for the TNB. Toll rates must be raised periodically to keep up with escalating debt payments as well as operational and maintenance costs, and to provide a sufficient minimum fund balance of 12.5 percent of annual total costs as established under Transportation Commission’s Policy & Procedure 15.

The consequence of not raising the toll rates periodically will likely result in insufficient revenue collections to make debt payments, thus requiring funds in the Motor Vehicle Fund (MVF) to make the debt payments and cover the costs referred to above. Taking funds out of the MVF for this purpose takes away obligated revenues that would have otherwise funded highway projects and other transportation programs.

8. Indication of any changes in who pays: No change.
9. Indication of any changes in methodology for determining the tax or fee: No change.
10. If tied to a budget request, Recommendation Summary code for the related expenditure request: ML-ZR Transp. Commission Fee Increases.
11. Alternatives to an increase considered: None. If toll revenues are insufficient to cover debt service and other required costs, other revenue sources would need to be used.
12. Indication of whether the fee increase requires a statutory change, i.e., a separate bill: Statutory change is not required.

## **SR 167 High Occupancy Toll (HOT) Lane Tolls**

### Justification for New or Increased Tax or Fee Requests

1. Tax or fee name: SR 167 High Occupancy Toll (HOT) Lane Tolls.
2. Current tax or fee amount (FY 2013): Toll schedule varies by time of day. Toll authorization ends in FY 2013.
3. Proposed amount:
  - a. FY 2014 – The variable rate schedule is anticipated to be the same as FY 2013.
  - b. FY 2015 – The variable rate schedule is anticipated to be the same as FY 2013.
4. Incremental change for each year:
  - a. FY 2014 – The variable rate schedule is not expected to be adjusted unless revenues are insufficient to cover toll operation costs.
  - b. FY 2015 – The variable rate schedule is not expected to be adjusted unless revenues are insufficient to cover toll operation costs.
5. Expected implementation date: July 2013.
6. Estimated additional revenue generated by increase:
  - a. FY 2014 – \$1,023,000 (based on the June 2012 Alternative Transportation Revenue Forecast).
  - b. FY 2015 – \$1,060,000 (based on the June 2012 Alternative Transportation Revenue Forecast).
7. Justification for the increase and discussion of consequences of not increasing the tax or fee: Tolls are needed to administer SR 167 HOT Lanes tolling.

If WSDOT cannot administer tolling on SR 167 HOT Lanes, the following impacts to the corridor would occur:

- Increased travel time
  - Increased traffic congestion
  - Fewer choices for drivers
8. Indication of any changes in who pays: No change.
  9. Indication of any changes in methodology for determining the tax or fee: No change.
  10. If tied to a budget request, Recommendation Summary code for the related expenditure request: PL-BC, SR 167 HOT Lanes Operations.
  11. Alternatives to an increase considered: Yes, taking no action, which would result in no tolling taking place on SR 167 Hot Lanes.
  12. Indication of whether the fee increase requires a statutory change, i.e., a separate bill. (If yes, a proposal should be submitted as part of the agency request legislation process.): Yes, a statute change would be required. WSDOT is developing agency-request legislation to continue to toll SR 167HOT Lanes. This request will be submitted to OFM and the Governor's Office for review.

## **SR 520 Tolls**

### Justification for New or Increased Tax or Fee Requests

1. Tax or fee name: State Route 520 Tolls.
2. Current tax or fee amount (FY 2013): Toll schedule varies by time of day, day of week, and payment option.
3. Proposed amount:
  - a. FY 2014 – RCW 47.56.850 provides the Transportation Commission authority to set toll rates on eligible toll facilities. Pursuant to WAC 468-270-040(2)(b), adopted by the Transportation Commission on January 5, 2011, toll rates may increase by two and one-half percent annually, subject to the Commission’s review and approval. The actual amount of future toll rate increases for SR 520 may be more or less than this amount, depending on cost and revenue needs at the time the rates are reviewed. The Transportation Commission determines toll rate adjustments based on current revenues, and estimates of futures costs and revenues. Toll rates must be set to cover those costs identified in current law which include debt payments, maintenance, operations, and insurance.
  - b. FY 2015 – RCW 47.56.850 provides the Transportation Commission authority to set toll rates on eligible toll facilities. Pursuant to WAC 468-270-040(2)(b), adopted by the Transportation Commission on January 5, 2011, toll rates may increase by two and one-half percent annually, subject to the Commission’s review and approval. The actual amount of future toll rate increases for SR 520 may be more or less than this amount, depending on cost and revenue needs at the time the rates are reviewed. The Transportation Commission determines toll rate adjustments based on current revenues, and estimates on futures costs and revenues. Toll rates must be set to cover those costs identified in current law which include debt payments, maintenance, operations, and insurance.
4. Incremental change for each year:
  - a. FY 2014 – Pursuant to WAC 468-270-040(2)(b), adopted by the Transportation Commission on January 5, 2011, toll rates may increase by two and one-half percent annually, subject to the Commission’s review and approval. The actual amount of toll rate increases for SR 520 may be more or less than this amount, depending on cost and revenue needs at the time the rates are reviewed.
  - b. FY 2015 – Pursuant to WAC 468-270-040(2)(b), adopted by the Transportation Commission on January 5, 2011, toll rates may increase by two and one-half percent annually, subject to the Commission’s review and approval. The actual amount of toll rate increases for SR 520 may be more or less than this amount, depending on cost and revenue needs at the time the rates are reviewed.
5. Expected implementation date: July 2013 and July 2014.
6. Estimated additional revenue generated by increase:
  - a. FY 2012 – Toll rate increases are already assumed in the Transportation Revenue Forecasts.
  - b. FY 2013 – Toll rate increases are already assumed in the Transportation Revenue Forecasts.

- 7.** Justification for the increase and discussion of consequences of not increasing the tax or fee: RCW 47.56.850 provides the Transportation Commission authority to set toll rates on eligible toll facilities. Pursuant to WAC 468-270-040(2)(b), adopted by the Transportation Commission on January 5, 2011, toll rates may increase by two and one-half percent annually, subject to the Commission's review and approval. The actual amount of toll rate increases for SR 520 may be more or less than this amount, depending on cost and revenue needs at the time the rates are reviewed.

The consequence of not raising the toll rates periodically could result in the state failing to meet its debt service requirements. Not raising toll rates will likely result in insufficient revenue collections, thus requiring funds in the Motor Vehicle Fund (MVF) to make the debt payments and cover the costs mentioned above. Using MVF funds for this purpose would take away revenue that would have otherwise funded highway projects and other transportation programs.

- 8.** Indication of any changes in who pays: No change.
- 9.** Indication of any changes in methodology for determining the tax or fee: No change.
- 10.** If tied to a budget request, Recommendation Summary code for the related expenditure request: ML-ZR Transp. Commission Fee Increases.
- 11.** Alternatives to an increase considered: None. If toll revenues are insufficient to cover debt service, other revenue sources would have to be used.
- 12.** Indication of whether the fee increase requires a statutory change, i.e., a separate bill: Statutory change is not required.

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** 1A Administrative and Staff Reductions  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Programs:** C – Information Technology  
 F – Aviation  
 H – Program Delivery Management & Support  
 M – Highway Maintenance & Operations  
 Q – Traffic Operations  
 S – Transportation Management & Support  
 T – Transportation Planning, Data & Research  
 Z – Local Programs – Operating

**Recommendation Summary**

The cost to maintain current service levels is projected to be greater than available resources. This package proposes a number of administrative and staff reductions, spanning a number of different programs and activities, totaling nearly \$3 million and over 12 full-time equivalent (FTE) positions.

**Fiscal Detail**

Detail by Fund	FY 2014	FY 2015	2013-15	2015-17	2017-19
108-1 MVA-State	(1,480,000)	(1,482,000)	(2,962,000)	(2,962,000)	(2,962,000)
039-1 Aeronautics Acct - State	(10,000)	(10,000)	(20,000)	(20,000)	(20,000)
<b>Total by Fund</b>	(1,490,000)	(1,492,000)	(2,982,000)	(2,982,000)	(2,982,000)
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>(12.7)</b>	<b>(12.7)</b>	<b>(12.7)</b>	<b>(12.7)</b>	<b>(12.7)</b>

**Package Description**

State transportation investments funded with the Nickel and Transportation Partnership Accounts are nearing completion, while transportation gas tax revenue and purchasing power are declining due to impacts of fuel efficiency improvements, higher gas prices, and the economic recession. In response to these financial constraints, and in an effort to make the most of every tax dollar available for transportation, the Washington State Department of Transportation (WSDOT) is transforming the way it does business.

A number of changes have been made to streamline the department’s methods of delivery for capital construction projects, including realignment and consolidation of selected headquarters offices and sharing of resources among the regions. Additionally, the department’s administrative functions are continually being evaluated for further efficiencies.

Over the last couple of biennia, the WSDOT’s administrative and operating programs have seen reductions of more than \$50 million. This resulted in the elimination of the Urban Corridors

Office, taking reductions in administrative positions and overhead, and the combining of a number of smaller work units. In this vein, WSDOT has continued to look for further opportunities to reduce costs and staffing levels, especially at the management level. Most recently, a Deputy Director position in the Public Transportation Program and an Assistant Secretary position in Administrative Services were eliminated.

Even with the progress to date, the cost to maintain current service levels in the 2013-15 biennium is projected to be greater than available resources. As such, this package is comprised of a number of administrative and staff reductions spanning a number of different programs and activities. To guide this work, WSDOT’s leadership team adopted a series of budgeting principles:

- Maintain mobility to assist the state’s economic recovery.
- Focus on core business strategies.
- Stop performing lowest priority tasks and nonessential services.
- Improve efficiencies by eliminating redundancies.
- Reduce management and administration by as much or more than reductions made to non-managers and line services.
- Prioritize maintenance and preservation of the transportation infrastructure in the most efficient manner possible.
- Maintain and increase transparency and accountability.

This package includes a series of operating program reduction options that fall into two categories: (1) Program Staff Reductions; and (2) Non-Staff Administrative Reductions. *(In order to show a more complete picture of all reductions impacting the department, a list of capital program and non-appropriated account reductions has also been provided in Attachment A).*

**Program Staff Reductions**

As shown in the following *Staff Reduction Detail* table, over 12 FTEs would be reduced, saving a total of \$2.4 million.

**Staff Reduction Detail by Program/Office (\$ in Millions)**

<b>(Program) Division or Office</b>	<b>Reduction Detail</b>	<b>FTE (WMS)</b>	<b>FTE (Non- WMS)</b>	<b>Biennial State \$</b>
(C) Information Technology	Eliminate a Regional IT Manager position and an Enterprise Implementation Office Manager position.	(2.00)	(0.00)	(\$0.481)
(M) Procurement and Materials Mgmt. Office (PMMO)	Eliminate an Administrative Assistant 2 position.	(0.00)	(1.00)	(\$0.110)
(M) PMMO	Eliminate the vacant Supply and Procurement Specialist 3 position.	(0.00)	(1.00)	(\$0.150)

(S) Office Human Resources (OHR)	Savings are achieved through reorganization, position level changes, and vacancies.	(0.00)	(2.70)	(\$0.499)
(S) Enterprise Risk Management Office	Eliminate a Tort Investigator position.	(0.00)	(0.30)	(\$0.028)
(S) Communications Division	Eliminate vacated WMS 1 - Interactive Communication (Web) Specialist position.	(1.00)	(0.00)	(\$0.163)
(S) Government Relations Office	Eliminate the current full-time Management Analyst 4 position and hire seasonal help during session.	(0.00)	(1.00)	(\$0.110)
(S) Administrative Services Office	Eliminate vacant Director position. The Administrative Services Division has been dissolved and oversight and administration of the services have been redistributed among other managers.	(1.00)	(0.00)	(\$0.310)
(S/T) Budget and Financial Analysis Division	Reduce the remaining vacant Fiscal Analyst 4 position in Program T and one Budget Manager in Program S.	(1.00)	(0.40)	(\$0.244)
(T) Strategic Planning Division	Eliminate Statewide Travel and Collision Manager position by combining the Statewide Transportation and Collision Data Office (STCDO) and the GIS Roadway Data Office (GRDO).	(1.00)	(0.00)	(\$0.258)
(T) Community Transportation Planning Office	Reduce a Transportation Planning Specialist 3 position.	(0.00)	(0.30)	(\$0.050)
<b>Totals</b>		(6.00)	(6.70)	(\$2.403)

In keeping with the department's budgeting principles, lower-priority work and activities, such as producing awards and certificates and offering educational assistance to selected agency employees would be eliminated under this proposal. A number of activities, such as information technology (IT) support and "just-in-time" training, will be absorbed by remaining staff and/or reassigned to another division. These workload and service delivery impacts will result in:

- Elimination or change in frequency of selected publications.
- Delays in responding to inquiries from legislative and Office of Financial Management (OFM) staff.

### **Non-Staff Administrative Reductions**

The second part of this reduction option looks to non-staff administrative reductions and changes resulting in savings of over \$0.5 million.

**Non-Staff (Administrative) Reduction Detail by Program/Office (\$ in Millions)**

<b>(Program) Division or Office</b>	<b>Reduction Detail</b>	<b>State \$</b>
(F) Aviation Division	Reduce Division's travel budget by 20 percent.	(\$0.020)
(H) ESO	Reduce pass through money for Fish Passage Program.	(\$0.116)
(Q) Traffic Management	Reduce TEF rental rates by returning under-utilized equipment.	(\$0.120)
(T) Region Transportation Planning	Reduce technical support.	(\$0.073)
(Z) Pavement Inventory Asset Management	Reduces financial support for Highways and Local Programs for the pavement inventory asset management program.	(\$0.250)
<b>Total</b>		<b>(\$0.579)</b>

Together, the staff and non-staff reductions will reduce the department's expenditures by \$3.0 million and 12.7 FTEs.

**Narrative Justification and Impact Statement**

**What specific performance outcomes does the agency expect?**

N/A

**Performance Measure Detail**

N/A

**Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

N/A

**Does this decision package provide essential support to meet one of the Governor's priorities? If so, please describe.**

N/A

**Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

N/A

**Identify important connections or impacts related to this proposal.**

The numerous reductions contained in this proposal will impact a number of entities such as the Legislature, OFM, counties, cities, contractors, agency employees, and stakeholder groups.

Examples of these impacts include:

- Completing fiscal notes within OFM’s 3-day requirement
- Responding to inquiries from the Legislature, OFM, and the public
- Elimination or change in frequency of selected publications

**What alternatives were explored, and why was this alternative chosen?**

As the department considered ways in which the administrative budgets could be reduced, offices and organizations were asked to identify efficiencies, focus on core business strategies, and maintain and increase transparency and accountability. The reductions in this package were identified as opportunities to reduce state expenditures while meeting the department’s identified goals.

**What are the consequences of not funding this package?**

N/A

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Expenditure Calculations and Assumptions**

As shown in the *Staff Reduction Detail* table, 12.7 FTEs would be reduced, saving a total of \$2.4 million. Non-staff savings of over \$0.5 million is displayed in the *Non-Staff (Administrative) Reduction Detail by Program/Office* table.

See Attachment B for Salary and FTE detail.

**Delineate which savings are one-time versus ongoing. What are the budget impacts in future biennia?**

All reductions are ongoing.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
A - Salaries and Wages	(915,000)	(915,000)	(1,830,000)	(1,830,000)	(1,830,000)
B - Benefits	(293,000)	(294,000)	(587,000)	(587,000)	(587,000)
C - Personal Service Contracts	(6,000)	(7,000)	(13,000)	(13,000)	(13,000)
E - Goods and Services	(266,000)	(266,000)	(532,000)	(532,000)	(532,000)
G - Travel	(10,000)	(10,000)	(20,000)	(20,000)	(20,000)
<b>Total by Object</b>	<b>(1,490,000)</b>	<b>(1,492,000)</b>	<b>(2,982,000)</b>	<b>(2,982,000)</b>	<b>(2,982,000)</b>

<b>Salary and FTE Detail</b>						
<b>List Positions by Classification</b>	<b>FTEs</b>			<b>Dollars</b>		
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
See Attachment B	(12.7)	(12.7)	(12.7)	(915,000)	(915,000)	(1,830,000)
<b>Total</b>	(12.7)	(12.7)	(12.7)	(915,000)	(915,000)	(1,830,000)

<b>Out Biennia</b>				
<b>List Positions by Classification</b>	<b>FTEs</b>		<b>Dollars</b>	
	<b>2015-17</b>	<b>2017-19</b>	<b>2015-17</b>	<b>2017-19</b>
See Attachment B	(12.7)	(12.7)	(1,830,000)	(1,830,000)
<b>Total</b>	(12.7)	(12.7)	(1,830,000)	(1,830,000)

## Attachment A: Reductions from Capital Programs and Revenue Generating Ideas

In addition to the administrative and staff reductions in operating programs reflected in this decision package, the department is implementing staff and non-staff reductions in the highway construction program (Programs I and P) as part of the plan to meet the 800 FTE reduction in the highway construction program by the end of the 2013-15 biennium (ESHB 2190, Chapter 86, Laws of 2012). Dollar and FTE reductions are incorporated in the capital project list. As a result of these reductions in capital programs, the following administrative reductions will occur in addition to the operating program reductions included in this decision package.

### Administrative Staff Reductions from Capital Programs and Non-Appropriated Accounts (\$ in Millions)

Division or Office	Reduction Detail	FTE	State \$	Other \$	Ongoing or One-Time
Construction	Eliminate one Transportation Engineer 4 position in construction training.	(1.0)	(\$0.207)	\$0	Ongoing
Construction	Eliminate one Transportation Engineer 3 in contract administration support.	(1.0)	(\$0.203)	\$0	Ongoing
Strategic Analysis and Estimating	Eliminate of one IT Specialist 2 and 0.1 FTE of a Transportation Engineer 5 position.	(1.1)	(\$0.174)	\$0	Ongoing
Design	Eliminate 0.3 FTE support from Transportation Planning Specialist 4.	(0.3)	(\$0.052)	\$0	Ongoing
Records and Information Services	Eliminate 1.0 Forms and Records Analyst 3 and 0.5 Project Specialist 3 positions.	(1.5)	(\$0.240)	\$0	Ongoing
Bridge Preservation	Hold open two vacant Bridge Engineer 5 positions.	(2.0)	\$0	(\$0.431)	One-Time
Bridge Design	Eliminate a 0.2 FTE WMS 3 and a 0.9 FTE Bridge Engineer 5 and place restrictions on use of direct project support.	(1.1)	(\$0.242)	\$0	Ongoing
Strategic Planning; GRDO	Eliminate 1.8 FTES: Transportation Planning Specialist 3 (1.0), Transportation Technical Engineer 5 (0.5), and Transportation Planning Technician (0.3).	(1.8)	\$0	(\$0.384)	Ongoing
Internal Audit	Eliminate 0.7 FTE for Audit Specialist 4.	(0.7)	(\$0.110)	\$0	Ongoing
Program Management	Eliminate one WMS and four classified positions in the Capital Program Development and Management office due to efficiencies identified through the Method of Delivery (MOD) review.	(5.0)	(\$1.146)	\$0	Ongoing
Program Management	Eliminate positions in regions that provide direct program support per efficiencies were cited in the MOD process.	(9.0)	(\$2.492)	\$0	Ongoing
Public Transportation	Eliminate two positions in the Construction Traffic Management program.	(2.0)	\$0	(\$0.400)	Ongoing
Traffic Operations	Eliminate funding for one FTE Transportation Engineer 2; 0.5 FTE Office Assistant 3; and 0.25 of a Transportation Technical Engineer 5.	(1.75)	(\$0.280)	\$0	Ongoing

Environmental Services Office (ESO)	Reduce funding for FTE to support chronic environmental deficiency projects.	(0.10)	(\$0.025)	\$0	Ongoing
ESO	Eliminate an Administrative Assistant 3 position.	(1.00)	(\$0.122)	\$0	Ongoing
ESO	Eliminate a Transportation Planning Specialist 2 for storm water inventory.	(1.00)	(\$0.286)	\$0	Ongoing
ESO	Reduce a Transportation Planning Specialist 2 for wetland monitoring support.	(0.50)	(\$0.100)	\$0	Ongoing
ESO	Reduce funding for Transportation Program Specialist 4 (Hazardous Materials Program).	(0.50)	(\$0.100)	\$0	Ongoing
ESO	Eliminate a Transportation Planning Specialist 4 position (liaison).	(0.75)	(\$0.148)	\$0	Ongoing
Human Resources	Savings are achieved through reorganization, position level changes, and vacancies.	(1.30)	(\$0.229)	\$0	Ongoing
Enterprise Risk Management Office	Eliminate the Administrative Assistant 5 and Tort Investigator positions.	(1.40)	(\$0.202)	\$0	Ongoing
Accounting (Non-Appropriated)	Eliminate federal, non-appropriated funding for accounting services positions. Duties of these positions will be redistributed among remaining accounting staff.	(2.0)	\$0	(\$0.291)	Ongoing
<b>TOTAL</b>		<b>(36.8)</b>	<b>(\$6.358)</b>	<b>(\$1.506)</b>	

**Non-Staff Reductions from Capital Programs (\$ in Millions)**

<b>(Program) Division or Office</b>	<b>Reduction Detail</b>	<b>State \$</b>	<b>Other \$</b>	<b>Ongoing or One-Time</b>
Construction	Downsize Materials Lab's equipment inventory.	(\$0.101)	\$0	One-Time/ Ongoing
Construction	Discontinue Construction Office support to the Transportation Curriculum Coordination Council (TCCC).	(\$0.040)	\$0	Ongoing
ESO	Reduce contracts for resource agency liaison activities and for support from the Multi-Agency Permit Team, as well as a hydrology consultant.	(\$0.408)	\$0	Ongoing
Geodetic	Reduce by half, the department's participation in the statewide Ortho Imagery Partnership program.	\$0	(\$0.050)	Ongoing
Geodetic	Reduce work installing GPS monuments.	(\$0.032)	\$0	Ongoing
Geodetic	Delay Height Modernization activities that places high precision elevations on existing Real-Time GPS Network (RTN) base stations.	(\$0.040)	\$0	Ongoing
Bridge Preservation	Eliminate the Bridge Watch program.	\$0	(\$0.215)	One-Time
Bridge Preservation	Turn in heat truck and tool trailer, and emergency access trailer.	\$0	(\$0.073)	One-Time
Bridge Preservation	Reduce the budget for purchased services in Bridge Preservation.	\$0	(\$0.190)	One-Time
Bridge Preservation	Eliminate structural monitoring of Mercer Slough bridges.	\$0	(\$0.060)	One-Time
Bridge Preservation	Reduce hydraulic engineer support for scour analysis and scour repair details.	\$0	(\$0.032)	One-Time
Human Resources	Eliminate funding for Graduate Fellowship Program which provides tuition, book, and school fee assistance for qualified and selected WSDOT employees.	(\$0.050)	\$0	Ongoing
Human Resources	Eliminate funding for TRANSPEED, a program that offers professional development short courses in transportation engineering and planning.	(\$0.125)	\$0	Ongoing
<b>TOTAL</b>		<b>(\$0.796)</b>	<b>(\$0.620)</b>	

Where possible, WSDOT is pursuing opportunities to increase revenues as another way to address budget shortfalls. Any new revenues would add to the Motor Vehicle Account (Fund 108) fund balance, but will not reduce the department’s expenditures for these services. The first option, Outdoor Advertising, is an option that the agency plans to pursue via agency-request legislation. The second option, the 511 System Advertising, is currently being explored as another opportunity to raise funds.

**Opportunities to Increase Revenues through Fees for Services (\$ in Millions)**

<b>Program/ Service</b>	<b>Revenue Increase Description</b>	<b>Biennial Revenue Estimate</b>
(Q) Outdoor Advertising	Outdoor advertising offset – fees for outdoor advertising can be increased to support the cost of managing this program and regulating outdoor advertising. Revenues raised would be received as state revenue to the Motor Vehicle Fund.	\$0.125
(Q) 511 System Advertising	Sponsorship signs for the 511 system could be used to support the costs of administering this program. Costs for the system would continue to be appropriated; revenues raised would be received as state revenue to the Motor Vehicle Fund.	\$0.575
<b>Total</b>		<b>\$0.700</b>

**Attachment B: FTE Detail**

<b>Salary and FTE Detail</b>										
<b>Positions by Classification</b>	<b>2013-15 Biennium</b>						<b>2015-17 Biennium</b>		<b>2017-19 Biennium</b>	
	<b>FTEs</b>			<b>Dollars</b>			<b>FTEs</b>	<b>Dollars</b>	<b>FTEs</b>	<b>Dollars</b>
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>	<b>2015-17</b>	<b>2015-17</b>	<b>2017-19</b>	<b>2017-19</b>
Enterprise Implementation Office Manager (WMS02)	(1.00)	(1.00)	(1.00)	(96,000)	(96,000)	(192,000)	(1.00)	(192,000)	(1.00)	(192,000)
Regional IT Manager (WMS02)	(1.00)	(1.00)	(1.00)	(91,000)	(92,000)	(183,000)	(1.00)	(183,000)	(1.00)	(183,000)
Administrative Assistant 2	(1.00)	(1.00)	(1.00)	(37,000)	(37,000)	(74,000)	(1.00)	(74,000)	(1.00)	(74,000)
Procurement and Supply Specialist 3	(1.00)	(1.00)	(1.00)	(54,000)	(54,000)	(108,000)	(1.00)	(108,000)	(1.00)	(108,000)
Human Resource Consultant 4	(2.70)	(2.70)	(2.70)	(179,000)	(178,000)	(357,000)	(2.70)	(357,000)	(2.70)	(357,000)
Tort Investigator 1	(0.30)	(0.30)	(0.30)	(10,000)	(10,000)	(20,000)	(0.30)	(20,000)	(0.30)	(20,000)
Interactive Comm. Spec. (WMS01)	(1.00)	(1.00)	(1.00)	(60,000)	(60,000)	(120,000)	(1.00)	(120,000)	(1.00)	(120,000)
Management Analyst 4	(1.00)	(1.00)	(1.00)	(63,000)	(63,000)	(126,000)	(1.00)	(126,000)	(1.00)	(126,000)
Administrative Services Director (WMS04)	(1.00)	(1.00)	(1.00)	(113,000)	(113,000)	(226,000)	(1.00)	(226,000)	(1.00)	(226,000)
Budget Manager, (WMS01)	(1.00)	(1.00)	(1.00)	(71,000)	(71,000)	(142,000)	(1.00)	(142,000)	(1.00)	(142,000)
Fiscal Analyst 4	(0.40)	(0.40)	(0.40)	(20,000)	(20,000)	(40,000)	(0.40)	(40,000)	(0.40)	(40,000)
Statewide Travel & Collision Manager (WMS03)	(1.00)	(1.00)	(1.00)	(102,000)	(102,000)	(204,000)	(1.00)	(204,000)	(1.00)	(204,000)
Transportation Planning Specialist 3	(0.30)	(0.30)	(0.30)	(19,000)	(19,000)	(38,000)	(0.30)	(38,000)	(0.30)	(38,000)
<b>Total</b>	<b>(12.70)</b>	<b>(12.70)</b>	<b>(12.70)</b>	<b>(915,000)</b>	<b>(915,000)</b>	<b>(1,830,000)</b>	<b>(12.70)</b>	<b>(1,830,000)</b>	<b>(12.70)</b>	<b>(1,830,000)</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** 1B Ferry Service Reductions  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Program:** X – Washington State Ferries Maintenance and Operations

**Recommendation Summary**

Ferry service reductions are proposed that would save an estimated \$6.1 million by reducing costs associated with: (1) vessel crew labor; (2) terminal staff labor; and (3) ferries’ fuel consumption. In addition, revenues are expected to decline by \$1.3 million, resulting in a net savings of \$4.8 million to the Puget Sound Ferries Operating Account (PSFOA). Service reductions were based on two criteria: (1) least impact on customers; and (2) ratio of savings to lost revenue. Under this proposal, the least profitable runs in the system (approximately 5,330 out of 165,000 runs) per year would be eliminated (a three percent reduction).

**Fiscal Detail**

Revenues	FY 2014	FY 2015	2013-15	2015-17	2017-19
109-1 PSFOA-State	(610,000)	(669,000)	(1,279,000)	(1,339,000)	(1,339,000)
<b>Total by Fund</b>	<b>(610,000)</b>	<b>(669,000)</b>	<b>(1,279,000)</b>	<b>(1,339,000)</b>	<b>(1,339,000)</b>

Expenditures	FY 2014	FY 2015	2013-15	2015-17	2017-19
109-1 PSFOA-State	(2,872,000)	(3,215,000)	(6,087,000)	(6,370,000)	(6,370,000)
<b>Total by Fund</b>	<b>(2,872,000)</b>	<b>(3,215,000)</b>	<b>(6,087,000)</b>	<b>(6,370,000)</b>	<b>(6,370,000)</b>
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>(19.1)</b>	<b>(20.8)</b>	<b>(20.0)</b>	<b>(20.8)</b>	<b>(20.8)</b>

**Package Description**

Ferry service reductions are proposed that would save an estimated \$6.1 million by reducing costs associated with: (1) vessel crew labor; (2) terminal staff labor; and (3) ferries’ fuel consumption. In addition, revenues are expected to decline by \$1.3 million, resulting in a net savings of \$4.8 million to the Puget Sound Ferries Operating Account (PSFOA). Service reductions were based on two criteria: (1) least impact on customers; and (2) ratio of savings to lost revenue. Under this proposal, the least profitable runs in the system (approximately 5,330 out of 165,000 runs) per year would be eliminated (a three percent reduction).

Ferry routes selected for service reductions, in priority order include:

Route	Changes to Services	Effective Date	2013-15 Net Savings
Mukilteo-Clinton	Eliminate late-night service (12:30 a.m. from Clinton and 1:05 a.m. from Mukilteo, M-F).	9/22/2013	(\$934,000)
Sidney, B.C., San Juan Islands & Fautleroy-Vashon	Extend winter service from 12 weeks to 20 weeks. Winter service levels represent no service to Sidney, B.C.; reduced service on San Juan Island routes; no third vessel service on weekends for Fautleroy-Vashon-Southworth route.	11/3/2013	(\$815,000)
Point Defiance-Tahlequah	Eliminate two round trips per day (1:40 p.m., 10:30 p.m. from Point Defiance; 2:10 p.m., 10:55 p.m. from Tahlequah).	9/22/2013	(\$811,000)
Seattle-Bremerton	Eliminate mid-day trips (12:20 p.m. from Bremerton and 1:30 p.m. from Seattle, M-F; 6 a.m. from Seattle on Sunday).	9/22/2013	(\$572,000)
Seattle-Bremerton	Eliminate late-night (12:50 a.m. from Seattle and 11:40 p.m. from Bremerton).	9/22/2013	(\$1,190,000)
Port Townsend-Coupeville	Replace two-boat service with single boat for an additional 4 weeks in fall and 4 weeks in spring shoulder seasons. (Eliminates 8:45 a.m. M-Th, and 10:15 a.m., 11:45 a.m., 1:15 p.m., 2:45 p.m., and 4:15 p.m. F-Su from Port Townsend; and 9:30 a.m. M-Th and 11:00 a.m., 12:30 p.m., 2:00 p.m., 3:30 p.m., and 5:00 p.m. F-Su from Coupeville).	9/22/2013	(\$486,000)
<b>Total Net Savings</b>			<b>(\$4,808,000)</b>

### Narrative Justification and Impact Statement

#### What specific performance outcomes does the agency expect?

Reduction in ferry services will limit transportation mobility and connectivity for residents, visitors, and businesses in the affected communities. With fewer sailings, ferry ridership will be reduced.

#### Performance Measure Detail

N/A

#### Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.

N/A

#### Does this decision package provide essential support to one of the Governor's priorities? If so, please describe.

N/A

**Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

N/A

**Identify important connections or impacts related to this proposal.**

- Ferry riders, emergency responders, and freight haulers are expected to express strong concerns when a ferry route has fewer service hours. In specific, proposed reductions will impact:
  - Mukilteo-Clinton late night service: Boeing swing shift employees working past normal hours and mainland evening event patrons.
  - Sidney, B.C.: Riders travelling to Vancouver Island in November and December.
  - San Juan inter-island: Minor weekend impacts to riders travelling between San Juan Islands.
  - Vashon/Southworth: Minor weekend impacts to riders travelling between Vashon and Southworth.
  - Point Defiance-Tahlequah mid-day service: Swing shift workers and Tacoma area event/night class attendees.
  - Seattle-Bremerton mid-day service: Swing shift workers, commuters traveling home early for appointments, etc.
  - Seattle-Bremerton late night service: Swing and graveyard shift workers and Seattle evening events/sports attendees.
  - Port Townsend-Coupeville: Shoulder season weekend demands for recreational travelers.
- Local communities with ferry terminals, particularly island communities that are remote and dependent upon ferry service for off-island transportation, would see a reduction in ferry services.
- Legislators who represent ferry communities may express concerns.
- Marine labor unions representing marine employees may have concerns about service reductions that impact represented employees.

**What alternatives were explored, and why was this alternative chosen?**

Because the operating budget for Washington State Ferries (WSF) is largely comprised of ferry operating costs, alternatives explored include: (1) increasing ferry fares significantly; or (2) cutting other department activities. This alternative was chosen because it does not result in the need for increased fares beyond existing planned fare increases, or the need for reductions to other department activities.

**What are the consequences of not funding this package?**

This package helps the department meet its budget reduction targets to balance the PSFOA.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Expenditure Calculations and Assumptions**

The \$4.8 million net savings represents one percent of WSF’s total operating budget based on the 2013-15 carry forward level. Savings in the first fiscal year are less than the second fiscal year because the year-round elimination of late night service on Bremerton and year round reduction of the Point Defiance-Tahlequah routes are delayed until fall of 2013.

The following table provides a breakdown of savings associated with the proposed reductions outlined earlier in this package. Savings for deck labor are based on Fiscal Year (FY) 2012 crewing levels instead of updated “Certificate of Inspection” (COI) levels because the U.S. Coast Guard has not made a final ruling on required staff levels. Estimated fuel costs for FY 2014 are \$3.58 per gallon and increase to \$3.69 per gallon for FY 2015, based on the June 2012 fuel price forecast for B5 biodiesel. These prices assume that beginning in FY 2014, ferry fuel purchases are sales tax exempt per RCW Chapter 16, Laws of 2011 (2ESSB 5742).

Ridership loss represents net lost riders (not those who would move to a different sailing or route within the system). Estimated ridership loss is projected at approximately 0.5% system-wide, but varies from 0.1 percent to 7.9 percent by route. Revenue loss is calculated based on the projected lost ridership by route. No riders are assumed to be lost at Point Defiance since they would likely move to another sailing from Point Defiance or to one of the sailings from the north end of Vashon Island.

2013-15 Biennium Savings Calculations								
Route	Deck Labor	Terminal Labor	Fuel	Total	Revenue Impact	NET SAVINGS	Lost Riders	%*
Mukilteo-Clinton	(770,000)	(20,000)	(194,000)	(984,000)	(50,000)	(934,000)	(6,200)	(0.1%)
Extended Winter Season (Sidney, B.C. & San Juan Islands)	(629,000)	-	(766,000)	(1,395,000)	(580,000)	(815,000)	(22,200)	(7.9%)
Point Defiance-Tablequah	(419,000)	(40,000)	(352,000)	(811,000)	-	(811,000)	-	0.0%
Seattle-Bremerton (mid-day)	(385,000)	-	(387,000)	(772,000)	(200,000)	(572,000)	(21,600)	(0.4%)
Seattle-Bremerton (late-night)	(564,000)	(40,000)	(986,000)	(1,590,000)	(400,000)	(1,190,000)	(67,000)	(1.6%)
Port Townsend-Couville	(292,000)	-	(244,000)	(536,000)	(50,000)	(486,000)	(7,600)	(0.7%)
<b>Total</b>	<b>(3,059,000)</b>	<b>(100,000)</b>	<b>(2,929,000)</b>	<b>(6,087,000)</b>	<b>(1,279,000)</b>	<b>(4,808,000)</b>	<b>(124,600)</b>	

\*The percentages represent the change in total ridership for the specified route. Compared to the system's total ridership, the reduction represents approximately 0.5 percent.

**Delineate which savings are one-time versus ongoing. What are the budget impacts in future biennia?**

All proposed changes would be ongoing.

Object of Expenditure Detail					
Object of Expenditure	FY 2014	FY 2015	2013-15	2015-17	2017-19
A - Salaries and Wages	(1,212,000)	(1,314,000)	(2,526,000)	(2,628,000)	(2,628,000)
B - Benefits	(303,000)	(329,000)	(632,000)	(658,000)	(658,000)
E - Goods and Services	(1,357,000)	(1,572,000)	(2,929,000)	(3,084,000)	(3,084,000)
<b>Total by Object</b>	<b>(2,872,000)</b>	<b>(3,215,000)</b>	<b>(6,087,000)</b>	<b>(6,370,000)</b>	<b>(6,370,000)</b>

Salary and FTE Detail						
List Positions by Classification	FTEs			Dollars		
	FY 2014	FY 2015	Biennial Average	FY 2014	FY 2015	Total
Ferry Vessel and Terminal Staff	(19.1)	(20.8)	(20.0)	(1,212,000)	(1,314,000)	(2,526,000)
<b>Total</b>	<b>(19.1)</b>	<b>(20.8)</b>	<b>(20.0)</b>	<b>(1,212,000)</b>	<b>(1,314,000)</b>	<b>(2,526,000)</b>

Out Biennia				
List Positions by Classification	FTEs		Dollars	
	2015-17	2017-19	2015-17	2017-19
Ferry Vessel and Terminal Staff	(20.8)	(20.8)	(2,628,000)	(2,628,000)
<b>Total</b>	<b>(20.8)</b>	<b>(20.8)</b>	<b>(2,628,000)</b>	<b>(2,628,000)</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** 1C Passenger Rail Efficiencies  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Program:** Y – Rail

**Recommendation Summary**

Funding is reduced for state-supported passenger rail. One round-trip of the Amtrak Cascades passenger rail service from Seattle to Vancouver, B.C. will transition to a seasonal or part-week service. In addition, the Tacoma Amtrak Station will not be supported by staff, but will remain operational and include an electronic ticket kiosk.

**Fiscal Detail**

<b>Detail by Fund</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
218-1 Multimodal-State	(1,489,000)	(1,489,000)	(2,978,000)	(2,978,000)	(2,978,000)
<b>Total by Fund</b>	<b>(1,489,000)</b>	<b>(1,489,000)</b>	<b>(2,978,000)</b>	<b>(2,978,000)</b>	<b>(2,978,000)</b>
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Package Description**

The Rail Operations budget consists of \$33.6 million of state funds for the 2011-13 biennium. Amtrak service and Talgo Maintenance contracts make up 83 percent of this budget. The state support for Amtrak Cascades service represents 35 percent of the annual operating costs for this service. In 2012, state-sponsored Amtrak service consists of two round trips between Portland and Seattle, one round trip between Portland and Vancouver, B.C., and one round Trip between Seattle and Vancouver, B.C.

To improve efficiency of passenger rail service and reduce the required subsidy for Amtrak Cascades, Washington State Department of Transportation (WSDOT) recommends reducing the operations of one round trip between Seattle and Vancouver, B.C. to only six months per year or only three to four days per week. In addition, the Tacoma station would no longer be supported by Amtrak staff. Instead, tickets at the Tacoma station will be distributed by an electronic kiosk, as is currently done in other unmanned stations along the Amtrak Cascades route.

In reducing service from Seattle to Vancouver, B.C., WSDOT will work with stakeholders to determine reductions that will maximize the efficiency of the service and have the least impact to overall ridership.

## **Narrative Justification and Impact Statement**

### **What specific performance outcomes does the agency expect?**

A transition to seasonal or part-week service on one run will limit the travel time options for Amtrak Cascades passengers between Seattle and Vancouver, B.C., which is expected to lower projected ridership in total.

### **Performance Measure Detail**

N/A

### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. This package supports the department's goal to operate an efficient transportation system. The targeted reductions to passenger rail service are intended to take reductions from less efficient runs while maintaining runs at peak times and/or during peak seasons.

### **Does this decision package provide essential support to one of the Governor's priorities? If so, please describe.**

N/A

### **Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

N/A

### **What are the other important connections or impacts related to this proposal?**

Affected parties include: Amtrak Cascades passengers from Seattle to Vancouver, B.C., the British Columbia (B.C.) government and tourism organizations, Seattle-area tourism, other communities served along this run, and Amtrak Cascades partners (Oregon and Amtrak).

### **What alternatives were explored by the agency, and why was this alternative chosen?**

WSDOT considered other options to reduce state support required for Amtrak Cascades services, including multiple stations moving to an unstaffed model, elimination of certain routes, or reduction in marketing strategies. Ultimately, WSDOT recommended this package of reductions which targeted service revisions to the least efficient seasonal or daily runs. In addition, electronic ticketing offers a more efficient operating model, which has already been successfully implemented in Tacoma for Sounder services.

### **What are the consequences of not funding this package?**

N/A

### **What is the relationship, if any, to the capital budget?**

N/A

**What changes would be required to existing statutes, rules, or contracts, in order to implement the proposed change?**

The contract for Amtrak Cascades service will need to be renegotiated to reflect the service reductions and elimination of Amtrak staff at the Tacoma station.

**Expenditure Calculations and Assumptions**

Current estimated cost to the state for Amtrak service is \$19.8 million in the 2011-13 biennium. This pays for five round trips in the two segments, Portland/Seattle and Seattle/Vancouver, B.C. The average estimated cost is \$3.96 million per round trip. Changing one round trip in one of the segments to seasonal or part-week service is assumed to save \$1.97 million per biennium.

The station cost is based on Amtrak’s Passenger Rail Investment and Improvement Act (PRIIA) 209 workbook information released in June 2012, which estimates Washington’s share of the Tacoma Amtrak station costs at \$506,000 per year.

**Delineate which savings are one-time versus ongoing. What are the budget impacts in future biennia?**

This reduction would result in ongoing savings.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
E - Goods and Services	(1,489,000)	(1,489,000)	(2,978,000)	(2,978,000)	(2,978,000)
<b>Total by Object</b>	<b>(1,489,000)</b>	<b>(1,489,000)</b>	<b>(2,978,000)</b>	<b>(2,978,000)</b>	<b>(2,978,000)</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** 1D Reduced Highway Maintenance  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Program:** M – Maintenance

**Recommendation Summary**

The Motor Vehicle Account (Fund 108) is projected to have a deficit going into the 2013-15 biennium. In order to help balance expenditures to available revenues, the department would reduce highway maintenance activities by \$10 million.

**Fiscal Detail**

Detail by Fund	FY 2014	FY 2015	2013-15	2015-17	2017-19
108-1 MVA-State	(5,000,000)	(5,000,000)	(10,000,000)	(10,000,000)	(10,000,000)
<b>Total by Fund</b>	<b>(5,000,000)</b>	<b>(5,000,000)</b>	<b>(10,000,000)</b>	<b>(10,000,000)</b>	<b>(10,000,000)</b>
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>(37.0)</b>	<b>(37.0)</b>	<b>(37.0)</b>	<b>(37.0)</b>	<b>(37.0)</b>

**Package Description**

The Motor Vehicle Account is projected to have a deficit going into the 2013-15 biennium. While administrative reductions and efficiencies are recommended as part of the department’s plan to contain costs, those reductions are not sufficient to balance the account. Consequently, reductions to ferry operations, passenger rail services, and maintenance operations are needed.

This package would reduce Highway Maintenance Program (Program M) activities by \$10 million. Labor makes up a significant percentage of the program’s budgeted expenditures, which means that significant work force reductions will be necessary.

Capital construction projects have significantly added to the state’s transportation infrastructure in recent years. Because these additions have not consistently been implemented with corresponding resources to maintain the new assets, the assets are deteriorating as demonstrated by the decline in Maintenance Accountability Process (MAP) scores.

The \$10 million reduction will limit the department’s ability to proactively maintain the system and will instead lead to a reactive approach to managing critical maintenance deficiencies. Achieving these savings will be less efficient and more expensive in the long term because this short term reduction will be in conflict with the department’s long term approach of managing for lowest cost. To the extent possible, reductions are focused on lower priority activities while preserving higher priority activities. The proposed reductions to lower priority MAP activities are outlined in the following table.

**Proposed Reductions to Lower Priority MAP Activities**

MAP Activity	Reduction	MAP Score Before Reduction	MAP Score After Reduction
Striping	(3,500,000)	B-	C+
Shoulder Maintenance	(1,000,000)	C	D+
Guide Signs	(1,000,000)	B	C
Nuisance Weeds	(1,000,000)	D+	D-
Landscape	(1,000,000)	D	F
Ditches	(500,000)	B	B-
Highway Lighting	(500,000)	B+	B
Safety Patrol	(500,000)	N/A	N/A
Culverts	(500,000)	C-	D+
Noxious Weeds	(500,000)	B	B-
<b>Total</b>	<b>(\$10,000,000)</b>		

**Narrative Justification and Impact**

**What specific performance outcomes does the agency expect?**

The department has a goal to maintain highway and bridge systems to optimize their short and long term usefulness and minimize life-cycle costs. Reductions to Program M will result in lower performance outcomes on MAP activities.

**Performance Measure Detail**

N/A

**Is this decision package essential to implement a strategy identified in the agency’s strategic plan? If so, please describe.**

N/A

**Does this decision package provide essential support to one of the Governor’s priorities? If so, please describe.**

N/A

**Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

N/A

**Identify important connections or impacts related to this proposal.**

N/A

**What alternatives were explored, and why was this alternative chosen?**

Cuts to capital projects were considered. This alternative was selected to minimize cuts to capital projects.

## **What are the consequences of not funding this package?**

N/A

### **Striping**

The 2012 Supplemental Budget provided \$3.5 million for Highway Maintenance in Fiscal Year (FY) 2013, which the department applied to the durable striping and marking program. This amount is biennialized, resulting in a total of \$7 million in the carry forward level. (If the department's decision package, PL-MA, is funded, the additional funding for maintenance backlog would total \$10 million.) Under this proposal, the striping program's budget would be reduced by \$3.5 million as outlined in the above table, resulting in fewer striping improvements.

### **Shoulder Maintenance**

Reductions in shoulder maintenance will result in fewer repairs made to paved road shoulders. Maintenance will become more reactive to reported problems rather than proactive. Shoulders could become more hazardous for driving with increased edge drop-off and pavement deficiencies.

### **Guide Signs**

Washing and repairing of guide signs will be significantly cut back resulting in less readable signs and slower response to damaged signs. This could make reading guide signs more difficult, which could lead to an increase in the number of complaints.

### **Nuisance Weeds**

Roadside nuisance weeds (i.e., blackberries, scotch-broom, etc.) will expand as control is reduced. The spread of weeds will adversely impact native plants and affect adjacent properties, as well as increase the involvement of County Weed Boards. In addition, regaining control over expansive infestations in the future will be much more expensive than maintaining them in a preventive mode to minimize their spread.

### **Landscape**

The overall condition of landscape areas will deteriorate as watering, weeding, and plant care are reduced. Some significant investments in establishing these landscape areas will be lost as some plants will die from reduced levels of care or displacement by invasive weed species. This could negatively affect the state's image, particularly in those areas where roadside landscape is intended to provide a "welcome" feeling to motorists as they enter the state, which could have a negative impact on tourism.

### **Ditches**

Some ditches in lower priority locations will not be maintained to current standards. This will increase the likelihood of water over roadways and erosion during heavy rain events. Unmaintained ditches will not allow the pavement subgrade to drain properly, which could lead to safety hazards.

### **Highway Lighting**

Preventive maintenance will be reduced. Instead of replacing some lights on a preventive maintenance schedule, replacement will wait until those lights fail. At these locations, safety could be reduced.

### **Safety Patrol**

This activity is being reduced at lower priority locations. This will put maintenance in more of a reactive mode instead of a proactive mode. Dead animals, potholes, and rocks on roads would more often be discovered by the public rather than maintenance crews.

### **Culverts**

The inspection and cleaning of culverts would be decreased. This could result in plugged or failing culverts, leading to an increase in water over roadways, roadway sinkholes, environmental degradation, and safety implications. It's anticipated that emergency repairs would cost more than if culverts were proactively maintained.

### **Noxious Weeds**

This activity is being reduced at lower priority locations. This may result in a limited number of violations of noxious weed control laws. Additionally, reduced control of noxious weeds may result in the spread of invasive weed species onto adjacent properties.

### **What is the relationship, if any, to the state capital budget?**

N/A

### **Determine which statutes, rules, or contracts might be impacted.**

RCW 47.04.280 requires that the department "maintain, preserve, and extend the life and utility of prior investments in transportation systems and services." A reduction in funding for highway maintenance would be contrary to this objective and add to the current maintenance backlog.

### **Expenditure Calculations and Assumptions**

Full-Time Equivalent (FTEs) and Object of Expenditure calculations are based on the 2009-11 historical patterns of expenditures. The \$10 million reduction was prorated between salary and benefits, and goods and services, based on the 2009-11 biennium distribution of these costs.

The number of FTEs and the split by salary versus benefits was determined by using the department's labor pricing model. Salary and benefits were calculated assuming an average salary of \$41,508 and \$18,789 for benefits, for a total of \$60,305 per FTE for the 37 Maintenance Tech 2 positions, for a total of \$4.46 million. Maintenance Tech 2 positions were used because they represent the majority of the impacted workforce. However, various levels of Maintenance Tech workers would be affected.

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

All proposed reductions would be ongoing.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
A - Salaries and Wages	(1,535,000)	(1,535,000)	(3,070,000)	(3,070,000)	(3,070,000)
B - Benefits	(695,000)	(695,000)	(1,390,000)	(1,390,000)	(1,390,000)
E - Goods and Services	(2,770,000)	(2,770,000)	(5,540,000)	(5,540,000)	(5,540,000)
<b>Total by Object</b>	<b>(5,000,000)</b>	<b>(5,000,000)</b>	<b>(10,000,000)</b>	<b>(10,000,000)</b>	<b>(10,000,000)</b>

<b>Salary and FTE Detail</b>						
<b>List Positions by Classification</b>	<b>FTEs</b>			<b>Dollars</b>		
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
Maintenance Tech 2	(37.0)	(37.0)	(37.0)	(1,535,000)	(1,535,000)	(3,070,000)
<b>Total</b>	<b>(37.0)</b>	<b>(37.0)</b>	<b>(37.0)</b>	<b>(1,535,000)</b>	<b>(1,535,000)</b>	<b>(3,070,000)</b>

<b>Out Biennia</b>				
<b>List Positions by Classification</b>	<b>FTEs</b>		<b>Dollars</b>	
	<b>2015-17</b>	<b>2017-19</b>	<b>2015-17</b>	<b>2017-19</b>
Maintenance Tech 2	(37.0)	(37.0)	(3,070,000)	(3,070,000)
<b>Total</b>	<b>(37.0)</b>	<b>(37.0)</b>	<b>(3,070,000)</b>	<b>(3,070,000)</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** AB SR16/TNB Renew and Replacement Plan  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Program:** P2 – Structure Preservation

**Recommendation Summary**

This proposal would provide the funding necessary for the Washington State Department of Transportation to preserve the State Route (SR) 16/Tacoma Narrows Bridge in the manner necessary for the state to continue toll collections. Cost estimates and frequency of the activity has been developed consistent with federal regulations and national standards for bridges.

**Fiscal Detail**

Detail by Fund	FY 2014	FY 2015	2013-15	2015-17	2017-19
511-1 Tacoma Narrows Bridge - State	106,000	2,902,000	3,008,000	2,609,000	3,144,000
<b>Total by Fund</b>	<b>106,000</b>	<b>2,902,000</b>	<b>3,008,000</b>	<b>2,609,000</b>	<b>3,144,000</b>
	FY 2014	FY 2015	2013-15	2015-17	2017-19
Staffing FTEs	0.0	0.0	0.0	0.0	0.0

**Package Description**

In March 2002, the Washington State Legislature enacted legislation directing the use of public financing (Chapter 114, Laws of 2002) for the design and construction of the SR 16/Tacoma Narrows Bridge (TNB). It was assumed in 2002 that \$800 million in bonds would be sold, however with the project coming in under budget and with favorable market conditions only \$681 million in bonds were sold. Debt service on the bonds is paid by toll collections. Per Revised Code of Washington (RCW) section 47.56 and Washington Administrative Code (WAC) 468-270-045 toll collections are also allowed to pay for the "...maintenance, operations, repairs..." of the Tacoma Narrows Bridge.

Engrossed Substitute House Bill 2190, Section 306(12) (Chapter 86, Laws of 2012) requires the department to submit a request to fund the renewal and rehabilitation costs of the SR 16/TNB from the tolls collected on the bridge. The preservation, inspection, and toll equipment costs and frequency were determined using federal and department standards. Maintaining the Tacoma Narrows Bridge using these standards will ensure the facility is operational and the state is able to collect the tolls necessary to pay debt service.

**Narrative Justification and Impact**

**What specific performance outcomes does the agency expect?**

An appropriate level of funding is necessary to ensure that the bridge can continue collecting tolls and meeting its debt service requirements.

## Performance Measure Detail

N/A

### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes, the decision package supports WSDOT's goal to maintain, preserve, and extend the life and utility of prior investments in transportation systems and services.

### **Does this decision package provide essential support to meet one of the Governor's priorities? If so, please describe.**

Yes, this request meets the Governor's priority to support economic development by maintaining the SR 16/TNB, which improves the mobility of people, goods, and services.

### **Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes, toll revenues support high priority construction projects, such as the SR 16/TNB project. In addition, tolling is one tool to manage congestion and improve mobility of people, goods, and services.

### **Identify important connections or impacts related to this proposal.**

The cost to maintain and preserve the Tacoma Narrows Bridge is paid by toll collections deposited in the Tacoma Narrows Toll Bridge Account. These costs are considered by the Citizen Advisory Committee when recommending toll rates, and by the Transportation Commission when setting toll rates.

### **What alternatives were explored, and why was this alternative chosen?**

Each activity included in this proposal was reviewed to ensure the cost is accurate and the frequency of the activity is consistent with federal regulation. In those instances where federal guidance does not exist, the proposal relies on either a national standard or department guidelines.

### **Alternatives Explored**

1. The preservation of the roadway and bridge deck is contingent upon the results of annual field inspections. The timing of these preservation activities will be adjusted to ensure they occur at the lowest lifecycle cost.
2. Toll equipment replacement and preservation in 2016 and beyond are contingent on future decisions regarding the use of electronic tolling and the continuation or elimination of toll booths.
3. Inspection activities are regulated either by the federal government or through agency guidelines, which are based on recommendations from a gubernatorial Blue Ribbon Panel that investigated the sinking of the I-90 Lacey V. Murrow Bridge.

**What are the consequences of not funding this package?**

The SR 16/Tacoma Narrows Bridge was completed in 2007. An appropriate level of funding is needed to maintain the bridge in a manner necessary to collect tolls. Failure to preserve the bridge at its lowest lifecycle cost will result in more costly repairs in the future.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

Amounts approved in this proposal may have bearing on the toll rate set by the Transportation Commission. WAC 468-270-045 requires the Transportation Commission to set toll rates based on costs allowed under current law, including the cost of repairing and maintaining the bridge.

## Expenditure Calculations and Assumptions

This proposal assumes bridge inspection and preservation activities follow federal bridge regulations and departmental guidelines.

<b>TNB Renew and Replacement Plan</b>	<b>2014</b>	<b>2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Preservation</b>					
Bridge Deck Resurfacing <sup>(1)</sup>	0	2,890,000	2,890,000	0	0
Roadway Resurfacing <sup>(1)</sup>	0	0	0	0	2,447,000
Minor Improvements and Upgrades	0	0	0	473,000	0
Modular Expansion Joint Rehabilitation	0	0	0	241,000	0
Electrical: Lighting, Road & Weather Information System (RWIS), etc.	0	0	0	241,000	0
Mechanical: Elevators, Travelers, etc.	0	0	0	0	489,000
<b>Sub-Total</b>	<b>0</b>	<b>2,890,000</b>	<b>2,890,000</b>	<b>955,000</b>	<b>2,936,000</b>
<b>Inspection<sup>(2, 3)</sup></b>					
Underwater Inspections	0	0	0	0	80,000
Electrical and Mechanical Inspections	11,000	12,000	23,000	24,000	24,000
Electrical and Mechanical Concurrent In-depth Inspection	67,000	0	67,000	0	73,000
Fracture Critical and Routine Inspections	28,000	0	28,000	30,000	31,000
<b>Sub-Total</b>	<b>106,000</b>	<b>12,000</b>	<b>118,000</b>	<b>54,000</b>	<b>208,000</b>
<b>Toll Equipment<sup>(4)</sup></b>					
Tollbooth Equipment	0	0	0	418,000	0
Photo Reader Replacement	0	0	0	503,000	0
Other Toll Equipment	0	0	0	331,000	0
Building Outfit	0	0	0	348,000	0
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,600,000</b>	<b>0</b>
<b>Total</b>	<b>106,000</b>	<b>2,902,000</b>	<b>3,008,000</b>	<b>2,609,000</b>	<b>3,144,000</b>

1. Roadway and Bridge Deck Preservation – The department uses three types of condition measures (surface distresses, rutting, and roughness) to evaluate roadway pavement. Condition data is collected annually and added to the Washington State Pavement Management System (WSPMS) database. The Department uses the WSPMS information to determine if the roadway pavement section has reached a point (lowest cost) where it needs to be resurfaced to prevent additional deterioration resulting in either increased maintenance costs or added reconstruction cost.
2. Mechanical and Electrical Inspections – The Washington Transportation Commission adopted the recommendations and procedures of the May 2, 1991 Report of the Governor’s Blue Ribbon Panel, *Investigation into the Sinking of the I-90 Lacey V. Murrow Bridge*, which stipulates “annual reliability inspections of mechanical and electrical equipment”. This requirement is documented in the Transportation Structures Preservation Manual, M 23-11.
3. Bridge Inspection – 23 Code of Federal Regulations (CFR) 650, subpart ‘c’ National Bridge Inspection Standards (NBIS) references the American Association of State Highway and Transportation Officials (AASHTO) Manual for Bridge Evaluation, which in-turn points to the AASHTO Movable Bridge Inspection, Evaluation, and Maintenance Manual. The inspection frequencies are defined in Part 2 – Inspection, Chapter 2.1 – Planning

and Mobilization, Sections 2.1.5.1 through 2.1.5.4. The Transportation Structures Preservation Manual, under “Rules” section A.2.a(1), establishes the frequencies for various inspection types.

4. The department’s long term TNB Renew and Replacement Plan assumes replacement costs for toll equipment in 2015-17, including toll booth and photo reader replacement. Depending on the results of the legislatively-directed study on moving to cashless tolling and possible resulting action by the State Legislature, this assumption may not be realized.

Highway preservation cost estimates are in 2008 dollars inflated to year of expenditure using the June 2012 Construction Cost Index (CCI) provided by Global Insight. Toll equipment cost estimates are in 2000 dollars inflated to year of expenditure using the June 2012 Implicit Price Deflator (IPD).

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

The preservation activities included in this proposal for the Tacoma Narrows Bridge are ongoing, with recurring activities that vary from an annual cycle for inspections to almost a twenty year cycle for painting the bridge suspenders.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
J - Capital Outlay	106,000	2,902,000	3,008,000	2,609,000	3,144,000
<b>Total by Object</b>	<b>106,000</b>	<b>2,902,000</b>	<b>3,008,000</b>	<b>2,609,000</b>	<b>3,144,000</b>

## **Cover Letter for Decision Packages BB through BE**

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As part of the Master Bond Resolution (MBR) 1117, the department is required to have State Route (SR) 520 expenditures and SR 520 forecast certified by a Consulting Engineer and a Traffic Consultant. Recommendations from the Consulting Engineer and/or changes to the traffic forecast could impact the expenditure estimates in the department's decision packages.

SR 520 expenditures are expected to be certified by October 2012. The department is submitting preliminary decision packages for the Tacoma Narrows Bridge (PL-BB), State Route (SR) 167 High Occupancy Toll (HOT) Lanes (PL-BC), SR 520 Bridge (PL-BD), and SR 520 Civil Penalties (PL-BE) and will provide updated estimates once SR 520 expenditures are certified.

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** BA Statewide Toll Operations  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Program:** B – Toll Operations and Maintenance  
 C – Information Technology

**Recommendation Summary**

In the 2013-15 biennium, the Washington State Department of Transportation (WSDOT) will manage a toll system that is estimated to collect \$275 million in toll revenue from three toll facilities: Tacoma Narrows Bridge (TNB); State Route (SR) 167 High Occupancy Toll (HOT) Lanes; and SR 520 Bridge. The Tolling Division currently has two positions to administer statewide toll functions, with additional staff allocated to the direct operations of each facility. With increased complexity in managing a tolling system with multiple facilities, funding is requested to add a Transportation Engineer and an Information Technology Specialist to help manage statewide toll functions, plan for future toll operations, evaluate traffic and revenue reporting for current and potential future toll facilities, and comply with federal regulations related to toll interoperability and technology changes.

**Fiscal Detail**

<b>Detail by Fund</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
108-1 MVA-State (Program B)	180,000	181,000	361,000	361,000	361,000
108-1 MVA-State (Program C)	133,000	133,000	266,000	266,000	266,000
<b>Total by Fund</b>	<b>313,000</b>	<b>314,000</b>	<b>627,000</b>	<b>627,000</b>	<b>627,000</b>
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

**Package Description**

WSDOT Toll Division operates and maintains three existing toll facilities: TNB; SR 167 HOT Lanes; and the SR 520 Bridge. The state is in the process of evaluating additional toll facilities. With the possibility of new toll facilities, WSDOT needs to find ways to implement and utilize new technologies in order to become more efficient at installing, operating, and maintaining a complex toll system. In addition, traffic and revenue analysis for current and future toll facilities must be evaluated. Funding for a Transportation Engineer and an Information Technology Specialist will allow WSDOT to manage changes in toll technology and increase the efficiency of the system. In addition, the requested staff will help ensure the interoperability of current and future toll facilities per federal requirements.<sup>1</sup>

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<sup>1</sup> Federal Map 21 Requirements “Section 1512 (b) ELECTRONIC TOLL COLLECTION INTEROPERABILITY REQUIREMENTS.—Not later than 4 years after the date of enactment of this Act, all toll facilities on the Federal-aid highways shall implement technologies or business practices that provide for the interoperability of electronic toll collection programs.”

## **Narrative Justification and Impact**

### **What specific performance outcomes does the agency expect?**

In the 2013-15 biennium, WSDOT will manage a toll system that is estimated to collect \$275 million in toll revenue from TNB, SR 167 HOT Lanes, and SR 520 Bridge. Revenues from tolling are essential to repay debts for major capital projects, such as the SR 520 Bridge Replacement project.

### **Performance Measure Detail**

N/A

### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. The decision package supports WSDOT's goal to promote and develop transportation systems that stimulate, support, and enhance the movement of people and goods to ensure a prosperous economy.

### **Does this decision package provide essential support to meet one of the Governor's priorities? If so, please describe.**

Yes. This request meets the Governor's priority to support economic development by improving statewide mobility of people, goods, and services.

### **Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes. Toll revenues support high priority construction projects, such as SR 520 Bridge Replacement project. In addition, variable tolling is one tool to manage congestion and improve mobility of people, goods, and services.

### **Identify important connections or impacts related to this proposal.**

These positions will provide technical oversight to ensure continued delivery of an estimated 65,000 transactions per day for SR 520 and 40,000 transactions per day for TNB.

The Transportation Engineer and Information Technology Specialist will support WSDOT's compliance with toll facility interoperability requirements. This includes working with the federal government and other state toll facilities to develop, test, and integrate the types of technologies and business processes necessary to achieve national toll interoperability while still honoring the commitments WSDOT has made to its toll customers.

### **What alternatives were explored, and why was this alternative chosen?**

WSDOT considered hiring consultants; however, because management and analysis of toll operations are ongoing, it is more cost-effective to utilize state employees.

**What are the consequences of not funding this package?**

Without this funding, WSDOT will not be able to effectively manage integration of new toll systems and meet the needs of toll interoperability on a statewide and national scale.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Expenditure Calculations and Assumptions**

The following subsections describe costs grouped by objects of expenditures.

Objects A and B:

The two positions would directly support the administration, planning, implementation of technology and systems, and evaluation of traffic and revenue reporting for statewide toll operations.

A Transportation Engineer will allow the Toll Division to better forecast costs, report on operations, and plan for changes in toll technology and interoperability in future toll facilities. The Information Technology Specialist will work closely with the Transportation Engineer to evaluate and upgrade computer systems used for interoperability between the toll facilities.

Object E:

Costs include supplies and materials, rent, computer equipment, and telecommunication costs which support the staff. Costs for categories such as training include funds for all of Toll Division Operations in Program B, per the Secretary’s Executive Order E 1057.0, which prohibits toll revenues to be used for training.

Object G:

Travel costs are for all Toll Division Operations in Program B, per the Secretary’s Executive Order E 1057.0, which prohibits toll revenues to be used for travel costs.

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

All costs are ongoing.

<b>Objects of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
A - Salaries and Wages	164,000	164,000	328,000	328,000	328,000
B - Benefits	49,000	49,000	98,000	98,000	98,000
E - Goods and Services	46,000	47,000	93,000	93,000	93,000
G - Travel	54,000	54,000	108,000	108,000	108,000
<b>Total by Object</b>	<b>313,000</b>	<b>314,000</b>	<b>627,000</b>	<b>627,000</b>	<b>627,000</b>

<b>Salary and FTE Detail</b>						
<b>List Positions by Classification</b>	<b>FTEs</b>			<b>Dollars</b>		
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
Transportation Engineer 4 (TE4)	1.0	1.0	1.0	77,000	77,000	154,000
IT Systems/Application Specialist 6 (ITS/A6)	1.0	1.0	1.0	87,000	87,000	174,000
<b>Total</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>164,000</b>	<b>164,000</b>	<b>328,000</b>

<b>Out Biennia</b>				
<b>List Positions by Classification</b>	<b>FTEs</b>		<b>Dollars</b>	
	<b>2015-17</b>	<b>2017-19</b>	<b>2015-17</b>	<b>2017-19</b>
Transportation Engineer 4 (TE4)	1.0	1.0	154,000	154,000
IT Systems/Application Specialist 6 (ITS/A6)	1.0	1.0	174,000	174,000
<b>Total</b>	<b>2.0</b>	<b>2.0</b>	<b>328,000</b>	<b>328,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** BB TNB Toll Operations and Maintenance  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Program: B – Toll Operations and Maintenance**

**Recommendation Summary**

In the 2013-15 biennium, Washington State Department of Transportation (WSDOT) estimates toll revenue for the Tacoma Narrows Bridge (TNB) will be approximately \$123 million. Toll revenues collected from TNB are used to pay for debt service, operations and maintenance costs, and bridge preservation costs. This decision package funds the operations and maintenance expenditures required to support the collection of toll revenues. In total, WSDOT estimates it will need \$23.7 million and 12.8 full-time equivalents (FTEs) to operate and maintain TNB toll facility for the 2013-15 Biennium. Currently, WSDOT has \$7.2 million and 9.2 FTEs in its carry forward level for TNB; therefore, WSDOT is requesting \$16.5 million and 3.6 FTEs for TNB operations and maintenance costs.

**Fiscal Detail**

<b>Detail by Fund</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
511-1 TNB- State	8,012,000	8,451,000	16,463,000	17,533,000	18,291,000
<b>Total by Fund</b>	<b>8,012,000</b>	<b>8,451,000</b>	<b>16,463,000</b>	<b>17,533,000</b>	<b>18,291,000</b>
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>3.6</b>	<b>3.6</b>	<b>3.6</b>	<b>3.6</b>	<b>3.6</b>

**Package Description**

Currently, WSDOT has a budget of \$23.4 million in the 2011-13 biennium to administer and collect tolls on TNB. WSDOT estimates it will need \$23.7 million and 12.8 FTEs (see Attachment A) to operate and maintain the TNB toll facility for the 2013-15 biennium. Because WSDOT has \$7.2 million and 9.2 FTEs in its carry forward level for TNB, WSDOT is requesting \$17.9 million and 3.6 FTEs for TNB operations and maintenance costs. This includes TNB's cost share of the customer service center costs, civil penalty process, the electronic tolling system, staff, consulting costs, and associated costs such as postage and credit card fees. If funding is not provided for the 2013-15 biennium, WSDOT will not be able to continue to administer and collect tolls on TNB after June 30, 2013.

WSDOT has contracted with Electronic Transaction Consultant Corporation (ETCC) for customer service through June 2014. ETCC will provide customer service for the *Good To Go!* electronic tolling program, as well as payment processing, violation collections, and business management for TNB. To conduct cash toll collection, WSDOT has a contract with TransCore through June 2014. WSDOT also has staff to support operations and maintenance of TNB tolling which includes public outreach, vendor management, accounting, and auditing. Lastly, this budget

request covers the cost of postage for transponders and invoices, printing, credit card fees, TNB's share of civil penalty costs, and other standard costs of business.

### **Narrative Justification and Impact**

#### **What specific performance outcomes does the agency expect?**

1. WSDOT expects to collect tolls from approximately 40,000 transactions per day for the 2013-15 biennium.
2. Without this funding, WSDOT would be unable to collect tolls. Toll revenue is required to support debt service payments, bridge preservation, as well as operations and maintenance costs.
3. In Fiscal Year (FY) 2013, the customer service center expects to mail 25,000 bills per month to TNB drivers.

#### **Performance Measure Detail**

N/A

#### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. The decision package supports WSDOT's goal to promote and develop transportation systems that stimulate, support, and enhance the movement of people and goods to ensure a prosperous economy.

#### **Does this decision package provide essential support to meet one of the Governor's priorities? If so, please describe.**

Yes. This request meets the Governor's priority to support economic development by improving statewide mobility of people, goods, and services.

#### **Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes. This funding proposal is a necessary condition to improve commute times and to relieve congestion.

#### **Identify important connections or impacts related to this proposal.**

Tolling is essential to funding TNB, without toll revenue, funding will not be available to repay debts unless other revenue sources are identified.

#### **What alternatives were explored, and why was this alternative chosen?**

WSDOT could develop a stand-alone customer service facility for each corridor, but this would create duplicate functions that would be more costly. By developing a centralized back office/customer service center and allocating the costs to each facility, WSDOT is able to reduce costs through efficiencies.

**What are the consequences of not funding this package?**

If funding is not provided to administer tolling on TNB, tolls would not be collected, and toll revenue would not be available for debt service, bridge operations and maintenance, and replacement costs.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Expenditure Calculations and Assumptions**

In FY 2012, WSDOT established a central back office and customer service center to collect tolls on State Route (SR) 520 Bridge, TNB, and the SR 167 High Occupancy Toll (HOT) Lanes. Costs are shared between the three facilities based on a methodology that was developed in collaboration with the Office of Financial Management (OFM) and legislative staff in FY 2011. Because the allocation percentages vary slightly from month to month and there is still limited data on SR 520 Bridge (data will be better as SR 520 traffic stabilizes), for the purpose of this fiscal note, WSDOT is using the May 2012 data (see Attachment B) to allocate its shared costs. (May 2012 was the last complete monthly data available at the time this decision package was developed.) For example, the cost allocation for staff is 56.7 percent for SR 520 Bridge, 40.6 percent for TNB, and 2.7 percent for SR 167 HOT Lanes. If these assumptions change, it will impact the cost estimates for this decision package.

This decision package does not include funding for TNB renew and replacement (Preservation) costs. Preservation costs are being requested in decision package PL-AB (Per Chapter 86, Laws of 2012, Section 306(12)).

The following subsections describe costs grouped by objects of expenditures.

**Objects A and B:**

Toll operations require technical and customer service positions (see Attachment C). The technical positions include transportation engineers and transportation planning technicians. They track, trouble-shoot, coordinate data transfer between the toll collection vendor and the customer service vendor, ensure compliance with the toll collection vendor contract, conduct quality assurance testing, and ensure that the toll collection system works. Customer service specialists are required to respond to customer inquiries and complaints and work with technical staff to resolve billing and data issues. Costs for these activities are allocated among the three toll facilities.

Accounting positions (see Attachment C) are required to monitor and oversee the financial work done by the customer service center and toll collection vendors, develop financial statements, and audit toll collections. These positions would also verify that expenditures and revenues are allocated accurately.

Marketing/education/communications positions (see Attachment C) are required to educate the public, businesses, and governmental bodies about payment options. In addition, communications staff assists the Washington State Transportation Commission with the toll rate setting process.

Toll operations positions (see Attachment C) are required to administer the civil penalty program for TNB. Customer service specialists provide direct support to the administrative law judges during hearings, act as toll enforcement officers responsible for certifying all notices of civil penalty, and assist in tracking and reporting on civil penalty results.

Olympic Region will provide maintenance support for the new TNB; therefore, Olympic Region Maintenance FTEs and associated salaries are included in this decision package.

**Object C:**

Funding is required for TNB's share of consultant support to provide technical expertise related to tolling-specific challenges and assist the Transportation Commission with rate setting activities. The department assumes it would need 5,100 hours per year of consultant support for all toll facilities, at \$109 per hour, for an estimated cost to TNB of \$226,000 per year (5100 hours x \$109 hourly rate x 40.6 percent (TNB's allocation) = \$226,000 per year).

Funding is required to develop traffic and revenue analysis for monthly monitoring and quarterly forecasts. Additionally, funding is requested for the annual cost of service studies (also referred to as Benchmark Studies) that were recommended by the Expert Review Panel in their August 22, 2011 *Findings and Recommendations Report* to more effectively manage operations and reduce costs.

**Object E:**

The customer service center and toll collection vendors' costs are based on current contracts, which run through FY 2014. ETCC will provide customer assistance with setting up accounts, answering customer questions, and producing invoices. For FY 2015 and out biennia, the department assumes a "transaction-based" cost estimate of approximately 21 cents per transaction. This estimate is based on the scope of work and performance requirements that are similar to the current ETCC contract from other toll facilities in Texas. Under a separate contract, TransCore provides cash toll collection services and maintains the roadway equipment needed to collect tolls (i.e., cameras and antennas). Additionally, funding is required to pay for contracts with the Office of Administrative Hearings and Phoenix Security (security officers) to operate the civil penalty hearings.

Bridge insurance and business interruption coverage are negotiated annually. Expenditures also include transponders, postage, credit card and banking fees, and standard goods and services costs for staff. Transponder costs are expected to be offset by transponder sales revenue. Funding is also provided for standard maintenance costs such as equipment, materials, and Transportation Equipment Fund (TEF) costs.

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

All costs are ongoing.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
A - Salaries and Wages	319,000	319,000	638,000	638,000	638,000
B - Benefits	96,000	96,000	192,000	192,000	192,000
C - Personal Service Contracts	571,000	571,000	1,142,000	1,159,000	1,183,000
E - Goods and Services	7,026,000	7,465,000	14,491,000	15,544,000	16,278,000
<b>Total by Object</b>	<b>8,012,000</b>	<b>8,451,000</b>	<b>16,463,000</b>	<b>17,533,000</b>	<b>18,291,000</b>

<b>Salary and FTE Detail</b>						
<b>List Positions by Classification</b>	<b>FTEs</b>			<b>Dollars</b>		
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
See Attachment C	3.6	3.6	3.6	319,000	319,000	638,000
<b>Total</b>	<b>3.6</b>	<b>3.6</b>	<b>3.6</b>	<b>319,000</b>	<b>319,000</b>	<b>638,000</b>

<b>Out Biennia</b>				
<b>List Positions by Classification</b>	<b>FTEs</b>		<b>Dollars</b>	
	<b>2015-17</b>	<b>2017-19</b>	<b>2015-17</b>	<b>2017-19</b>
See Attachment C	3.6	3.6	638,000	638,000
<b>Total</b>	<b>3.6</b>	<b>3.6</b>	<b>638,000</b>	<b>638,000</b>

**Attachment A - Cost Detail (Total Cost)**

<b>Tacoma Narrows Bridge</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-2015 Biennium</b>	<b>2015-2017 Biennium</b>	<b>2017-2019 Biennium</b>
FTE Staff Years - Operations	8.6	8.6	8.6	8.6	8.6
FTE Staff Years - Maintenance <sup>1</sup>	2.0	2.0	2.0	2.0	2.0
FTE Staff Years - Civil Penalties	2.2	2.2	2.2	2.2	2.2
<b>Total FTE Staff Years</b>	<b>12.8</b>	<b>12.8</b>	<b>12.8</b>	<b>12.8</b>	<b>12.8</b>
<b>Object A - Salaries and Wages</b>					
Salaries and Wages - Operations	\$ 552,954	\$ 552,954	\$ 1,105,908	\$ 1,105,908	\$ 1,105,908
Salaries and Wages - Maintenance <sup>1</sup>	\$ 126,888	\$ 126,888	\$ 253,776	\$ 253,776	\$ 253,776
Salaries and Wages - Civil Penalty	\$ 139,640	\$ 139,640	\$ 279,280	\$ 279,280	\$ 279,280
<b>Total Salaries and Wages</b>	<b>\$ 819,000</b>	<b>\$ 819,000</b>	<b>\$ 1,638,000</b>	<b>\$ 1,638,000</b>	<b>\$ 1,638,000</b>
<b>Object B - Employee Benefits</b>					
30% of Salaries and Wages - Operations	\$ 166,000	\$ 166,000	\$ 332,000	\$ 332,000	\$ 332,000
30% of Salaries and Wages - Maintenance	\$ 38,000	\$ 38,000	\$ 76,000	\$ 76,000	\$ 76,000
30% of salaries and wages - Civil Penalty	\$ 42,000	\$ 42,000	\$ 84,000	\$ 84,000	\$ 84,000
<b>Total Employee Benefits</b>	<b>\$ 246,000</b>	<b>\$ 246,000</b>	<b>\$ 492,000</b>	<b>\$ 492,000</b>	<b>\$ 492,000</b>
<b>Object C - Personal Services Contracts</b>					
Toll Operations Technical Oversight	\$ 226,000	\$ 226,000	\$ 452,000	\$ 469,000	\$ 493,000
Forecasting Activities <sup>2</sup>	\$ 345,000	\$ 345,000	\$ 690,000	\$ 690,000	\$ 690,000
<b>Total Personal Services Contracts</b>	<b>\$ 571,000</b>	<b>\$ 571,000</b>	<b>\$ 1,142,000</b>	<b>\$ 1,159,000</b>	<b>\$ 1,183,000</b>
<b>Object E - Goods and Services - Toll Operations &amp; Maintenance</b>					
Transponder Purchase, Inventory & Mailing - Offset by Sales Revenue <sup>3</sup>	\$ 653,599	\$ 653,599	\$ 1,307,198	\$ 1,307,198	\$ 1,307,198
Bridge Insurance Premium <sup>4</sup>	\$ 1,750,000	\$ 1,750,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000
Credit Card & Banking Fees <sup>5</sup>	\$ 938,955	\$ 999,900	\$ 1,938,855	\$ 2,179,858	\$ 2,318,054
Toll Collection Equipment Renewal & Replacement (Transcore) <sup>6</sup>	\$ 60,079	\$ 60,079	\$ 120,158	\$ 120,158	\$ 120,158
Toll Collection Equipment Maintenance Costs (Transcore) <sup>7</sup>	\$ 877,757	\$ 877,757	\$ 1,755,514	\$ 1,755,514	\$ 1,755,514
Cash Collections (Transcore) <sup>8</sup>	\$ 2,350,992	\$ 2,350,992	\$ 4,701,985	\$ 4,701,985	\$ 4,701,985
Customer Service Center Vendor Costs <sup>9</sup>	\$ 2,325,281	\$ 2,658,520	\$ 4,983,801	\$ 5,642,879	\$ 6,030,534
Credit Card Payment Processing	\$ 37,565	\$ 37,565	\$ 75,131	\$ 75,131	\$ 75,131
Supplies & Materials	\$ 21,559	\$ 21,559	\$ 43,117	\$ 43,117	\$ 43,117
Rent (\$23/sq. ft)	\$ 78,593	\$ 78,593	\$ 157,185	\$ 129,352	\$ 129,352
Printing & Postage <sup>10</sup>	\$ 234,705	\$ 243,075	\$ 477,780	\$ 510,800	\$ 524,428
Computers, System Refinements & Equipment	\$ 75,364	\$ 75,364	\$ 150,727	\$ 150,727	\$ 150,727
Telephone/Communications	\$ 67,152	\$ 67,152	\$ 134,304	\$ 134,304	\$ 134,304
Purchased Services	\$ 5,390	\$ 5,390	\$ 10,779	\$ 10,779	\$ 10,779
Records Retention	\$ 20,000	\$ 20,000	\$ 40,000	\$ 40,000	\$ 40,000
Vehicle Operations (incl. Parking)	\$ 10,779	\$ 10,779	\$ 21,559	\$ 21,559	\$ 21,559
Facility Operations & Maintenance <sup>1</sup>	\$ 143,112	\$ 178,112	\$ 321,224	\$ 461,224	\$ 649,574
<b>Subtotal Goods and Services - Operations and Maintenance</b>	<b>\$ 9,651,000</b>	<b>\$ 10,088,000</b>	<b>\$ 19,739,000</b>	<b>\$ 20,784,584</b>	<b>\$ 21,512,413</b>
<b>Object E - Goods and Services - Civil Penalty</b>					
Credit Card & Banking Fees - Civil Penalty	\$ 16,936	\$ 16,936	\$ 33,871	\$ 33,871	\$ 33,871
Customer Service Center Vendor Costs - Civil Penalty <sup>11</sup>	\$ 127,356	\$ 127,356	\$ 254,713	\$ 254,713	\$ 254,713
Fife Municipal Court - Civil Penalty <sup>12</sup>	\$ 57,600	\$ 57,600	\$ 115,200	\$ 115,200	\$ 115,200
Office of Administrative Hearing Contract - Civil Penalty <sup>13</sup>	\$ 71,992	\$ 71,992	\$ 143,983	\$ 143,983	\$ 143,983
Supplies & Materials - Civil Penalty	\$ 4,355	\$ 4,355	\$ 8,710	\$ 8,710	\$ 8,710
Printing & Postage - Civil Penalty	\$ 56,343	\$ 58,352	\$ 114,695	\$ 122,622	\$ 129,040
Vehicle Operations - Civil Penalty	\$ 2,178	\$ 2,178	\$ 4,355	\$ 4,355	\$ 4,355
<b>Subtotal Goods and Services - Civil Penalty</b>	<b>\$ 336,759</b>	<b>\$ 338,769</b>	<b>\$ 675,528</b>	<b>\$ 683,455</b>	<b>\$ 689,873</b>
<b>Total Goods and Services</b>	<b>\$ 9,988,000</b>	<b>\$ 10,427,000</b>	<b>\$ 20,415,000</b>	<b>\$ 21,468,000</b>	<b>\$ 22,202,000</b>
<b>Subtotal Appropriation Authority - Operations &amp; Maintenance</b>	\$ 11,105,842	\$ 11,542,842	\$ 22,648,684	\$ 23,711,268	\$ 24,463,097
<b>Subtotal Appropriation Authority - Civil Penalty</b>	\$ 518,400	\$ 520,409	\$ 1,038,808	\$ 1,046,735	\$ 1,053,154
<b>Total Required Appropriation Authority</b>	<b>\$ 11,624,000</b>	<b>\$ 12,063,000</b>	<b>\$ 23,687,000</b>	<b>\$ 24,757,000</b>	<b>\$ 25,515,000</b>

- 1) Facility Operations & Maintenance Costs are based on WSDOT's 2011 Renewal & Replacement plan.
- 2) Forecasting Activities include Traffic and Revenue Analysis and Service Studies (Benchmark Studies).
- 3) Transponder Costs are based on Jan 2011 - June 2012 average transponder replacement rate of 20,000 (for all toll facilities) per month.
- 4) Bridge Insurance costs are based on June 2012 estimates from WSDOT Risk Management Office.
- 5) Credit Card & Banking Fees based on June 2012 Projected Revenue Forecast and May 2012 Non-cash transaction allocation splits per facility. Assumes 2.55% fee for credit card transactions.
- 6) Toll Equipment Repair and Replacement costs based on FY 2013 Transcore contract. Assumes Transcore continues to maintain equipment through FY 2019.
- 7) Toll Collection System Maintenance costs based on Transcore FY 2013 contract. Assumes Transcore continues to maintain equipment through FY 2019.
- 8) Transcore contract for TNB Cash Lane Collections expires at the end of FY 2014. WSDOT assumes contract with Transcore for Cash Lane Collections is extended through FY 2019.
- 9) Customer Service Center Vendor costs include ETCC contract costs for FY 2014. FY 2015 -19 are based on a 21 cent per transaction costs.
- 10) Printing & Postage Costs of \$0.65 per mailing (\$0.35 postage) are based on actual costs for last 6 months of FY 2012.
- 11) Customer Service Center Vendor Civil Penalty Costs are estimated based on current contracts.
- 12) Fife Municipal Court Costs based on current contract.
- 13) Office of Administrative Hearing costs are based on current contract.

## Attachment B - Allocation Split Detail

<u>Allocation Splits (May 2012)</u>	<u>Toll Facility</u>			<u>Allocated Expenditures</u>
	<u>TNB</u>	<u>SR 167 HOT Lanes</u>	<u>SR 520 Bridge</u>	
Transaction Count #1 - Trxn Cnt by Facility	40.6%	2.7%	56.7%	Salaries, Common Expenses
Transaction Count #2 - Trxn Cnt of Good to Go! Acct Trxns	38.0%	3.7%	58.3%	Transponder Revenue, Transponder Cost of Goods Sold
Transaction Count #3 - Trxn Cnt - Good to Go! & License Plate Accts Trxns	36.6%	3.4%	60.0%	Paper Statement and Reprinting Fees
Transaction Count #4 - Trxn Cnt - Pay By Mail Trxns	12.4%	0.0%	87.6%	Pay By Mail Postage, Department of Licensing, Law Enforcement Systems
Transaction Count #5 - Trxn Cnt - License Plate Acct and Pay By Mail Trxns	15.6%	0.0%	84.4%	Adjudication Costs
Transaction Count #6 - Trxn Cnt - Good to Go! & LP Accts & PBM Trxns	34.2%	3.0%	62.8%	ETCC and Postage (other than Good to Go! & Pay By Mail)
Revenue Count #1 - Rev Cnt - All Facilities	44.0%	1.0%	55.0%	Bank Fees
Revenue Count #2 - Rev Cnt - No Booths	36.0%	1.0%	63.0%	Credit Card Fees

Note: Allocation Split methodology was developed through a detailed analysis and survey of other toll facilities throughout the U.S. and a collaboration of WSDOT Accounting, Finance and Toll Operations professionals. Each month the various allocation splits are updated with prior month's traffic and revenue results.

**Attachment C - Salary and FTE Detail**

<u>Position - Job Class</u>	<u>% Time Allocated</u>	<u>FY2014</u>		<u>FY 2015</u>		<u>FY 2013-2015 Biennium</u>		<u>FY 2015-2017 Biennium</u>		<u>FY 2017-2019 Biennium</u>	
		<u>FTE</u>	<u>Salary</u>	<u>FTE</u>	<u>Salary</u>	<u>FTE</u>	<u>Salary</u>	<u>FTE</u>	<u>Salary</u>	<u>FTE</u>	<u>Salary</u>
<b><u>Toll Division Finance &amp; Prog. Mgmt.</u></b>											
Contract Specialist 2 (CS2)	41%	0.41	\$ 22,647	0.41	\$ 22,647	0.41	\$ 45,294	0.41	\$ 45,294	0.41	\$ 45,294
Fiscal Analyst 3 (FA3)	41%	0.41	\$ 25,000	0.41	\$ 25,000	0.41	\$ 50,001	0.41	\$ 50,001	0.41	\$ 50,001
Fiscal Analyst 5 (FA5)	41%	0.41	\$ 21,558	0.41	\$ 21,558	0.41	\$ 43,116	0.41	\$ 43,116	0.41	\$ 43,116
Transportation Planning Specialist 5 (TPSS5)	39%	0.39	\$ 32,751	0.39	\$ 32,751	0.39	\$ 65,502	0.39	\$ 65,502	0.39	\$ 65,502
<b><u>Toll Division Govt. Rel. &amp; Comm</u></b>											
Communications Consultant 4 (CC4)	6%	0.06	\$ 3,658	0.06	\$ 3,658	0.06	\$ 7,316	0.06	\$ 7,316	0.06	\$ 7,316
Communications Consultant 3 (CC3)	16%	0.16	\$ 8,623	0.16	\$ 8,623	0.16	\$ 17,246	0.16	\$ 17,246	0.16	\$ 17,246
Communications Consultant 3 (CC3)	16%	0.16	\$ 8,623	0.16	\$ 8,623	0.16	\$ 17,246	0.16	\$ 17,246	0.16	\$ 17,246
Washington Mgmt Service 2 (WMS2)	41%	0.41	\$ 31,379	0.41	\$ 31,379	0.41	\$ 62,757	0.41	\$ 62,757	0.41	\$ 62,757
Communications Consultant 5 (CC5)	6%	0.06	\$ 4,245	0.06	\$ 4,245	0.06	\$ 8,489	0.06	\$ 8,489	0.06	\$ 8,489
Communications Consultant 4 (CC4)	20%	0.20	\$ 12,194	0.20	\$ 12,194	0.20	\$ 24,388	0.20	\$ 24,388	0.20	\$ 24,388
Communications Consultant 4 (CC4)	16%	0.16	\$ 9,755	0.16	\$ 9,755	0.16	\$ 19,511	0.16	\$ 19,511	0.16	\$ 19,511
Graphic Designer Senior (GD SR)	16%	0.16	\$ 8,011	0.16	\$ 8,011	0.16	\$ 16,022	0.16	\$ 16,022	0.16	\$ 16,022
<b><u>Toll Division Operations</u></b>											
Washington Mgmt Service 3 (WMS3)	41%	0.41	\$ 43,568	0.41	\$ 43,568	0.41	\$ 87,135	0.41	\$ 87,135	0.41	\$ 87,135
Washington Mgmt Service 3 (WMS3)	41%	0.41	\$ 44,004	0.41	\$ 44,004	0.41	\$ 88,008	0.41	\$ 88,008	0.41	\$ 88,008
Information Technology Specialist 5 (ITS5)	41%	0.41	\$ 32,006	0.41	\$ 32,006	0.41	\$ 64,012	0.41	\$ 64,012	0.41	\$ 64,012
Transportation Planning Technician 2 (TPT2)	41%	0.41	\$ 20,514	0.41	\$ 20,514	0.41	\$ 41,028	0.41	\$ 41,028	0.41	\$ 41,028
Transportation Planning Technician 2 (TPT2)	41%	0.41	\$ 20,514	0.41	\$ 20,514	0.41	\$ 41,028	0.41	\$ 41,028	0.41	\$ 41,028
Customer Service Mgr (CSM)	32%	0.32	\$ 20,000	0.32	\$ 20,000	0.32	\$ 40,001	0.32	\$ 40,001	0.32	\$ 40,001
Customer Service Specialist 3 (CSS3)	41%	0.41	\$ 16,439	0.41	\$ 16,439	0.41	\$ 32,879	0.41	\$ 32,879	0.41	\$ 32,879
Customer Service Specialist 2 (CSS2)	8%	0.08	\$ 2,982	0.08	\$ 2,982	0.08	\$ 5,964	0.08	\$ 5,964	0.08	\$ 5,964
Customer Service Specialist 2 (CSS2)	41%	0.41	\$ 14,909	0.41	\$ 14,909	0.41	\$ 29,818	0.41	\$ 29,818	0.41	\$ 29,818
Customer Service Specialist 2 (CSS2)	8%	0.08	\$ 2,982	0.08	\$ 2,982	0.08	\$ 5,964	0.08	\$ 5,964	0.08	\$ 5,964
Transportation Planning Technician 2 (TPT2)	41%	0.41	\$ 20,514	0.41	\$ 20,514	0.41	\$ 41,028	0.41	\$ 41,028	0.41	\$ 41,028
Transportation Planning Technician 2 (TPT2)	41%	0.41	\$ 20,514	0.41	\$ 20,514	0.41	\$ 41,028	0.41	\$ 41,028	0.41	\$ 41,028
Transportation Engineer 3 (TE3)	41%	0.41	\$ 28,297	0.41	\$ 28,297	0.41	\$ 56,595	0.41	\$ 56,595	0.41	\$ 56,595
Transportation Engineer 1 (TE1)	41%	0.41	\$ 23,219	0.41	\$ 23,219	0.41	\$ 46,438	0.41	\$ 46,438	0.41	\$ 46,438
Transportation Engineer 2 (TE2)	41%	0.41	\$ 25,633	0.41	\$ 25,633	0.41	\$ 51,266	0.41	\$ 51,266	0.41	\$ 51,266
Transportation Engineer 2 (TE2)	41%	0.41	\$ 25,633	0.41	\$ 25,633	0.41	\$ 51,266	0.41	\$ 51,266	0.41	\$ 51,266
<b><u>Headquarters Accounting Office</u></b>											
Washington Mgmt Service 2 (WMS2)	41%	0.41	\$ 33,637	0.41	\$ 33,637	0.41	\$ 67,273	0.41	\$ 67,273	0.41	\$ 67,273
Fiscal Analyst 4 (FA4)	41%	0.41	\$ 22,647	0.41	\$ 22,647	0.41	\$ 45,294	0.41	\$ 45,294	0.41	\$ 45,294
Washington Mgmt Service 2 (WMS2)	41%	0.41	\$ 33,637	0.41	\$ 33,637	0.41	\$ 67,273	0.41	\$ 67,273	0.41	\$ 67,273
Fiscal Analyst 4 (FA4)	41%	0.41	\$ 22,647	0.41	\$ 22,647	0.41	\$ 45,294	0.41	\$ 45,294	0.41	\$ 45,294
<b><u>Headquarters Audit Office</u></b>											
Washington Mgmt Service 2 (WMS1)	41%	0.41	\$ 29,853	0.41	\$ 29,853	0.41	\$ 59,706	0.41	\$ 59,706	0.41	\$ 59,706
<b><u>Olympic Region Maintenance</u></b>											
Transportation Technician 3	100%	1.00	\$ 57,190	1.00	\$ 57,190	1.00	\$ 114,379	1.00	\$ 114,379	1.00	\$ 114,379
Transportation Systems Technician	100%	1.00	\$ 69,698	1.00	\$ 69,698	1.00	\$ 139,396	1.00	\$ 139,396	1.00	\$ 139,396
<b>Totals</b>		<b>12.78</b>	<b>\$ 819,000</b>	<b>12.78</b>	<b>\$ 819,000</b>	<b>12.78</b>	<b>\$ 1,638,000</b>	<b>12.78</b>	<b>\$ 1,638,000</b>	<b>12.78</b>	<b>\$ 1,638,000</b>

### Supplemental Revenue Information

Based on the June 2012 forecast, revenue for TNB in the 2013-15 biennium, including civil penalties, is anticipated as follows:

	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
Toll Revenue	123,335,000	130,502,000	138,477,000
Transponder Sales	711,000	755,000	803,000
Civil Penalties	1,390,000	1,718,000	1,844,000
Fees	778,000	826,000	878,000
<b>Total</b>	<b>\$ 126,214,000</b>	<b>\$ 133,801,000</b>	<b>\$ 142,002,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** BC SR 167 HOT Lanes Operations  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Program: B – Toll Operations and Maintenance**

**Recommendation Summary**

If legislative authorization is provided to continue to toll State Route (SR) 167 High Occupancy Toll (HOT) Lane, the Washington State Department of Transportation (WSDOT) estimates it will collect over \$2.1 million in toll revenue for the 2013-15 biennium. Funding of \$2.0 million is requested to continue to operate the SR 167 HOT Lanes in the 2013-15 biennium.

**Fiscal Detail**

Detail by Fund	FY 2014	FY 2015	2013-15	2015-17	2017-19
09F-1 SR 167 HOT Lanes - State	964,000	995,000	1,959,000	2,025,000	2,065,000
<b>Total by Fund</b>	<b>964,000</b>	<b>995,000</b>	<b>1,959,000</b>	<b>2,025,000</b>	<b>2,065,000</b>
	FY 2014	FY 2015	2013-15	2015-17	2017-19
Staffing FTEs	3.4	3.4	3.4	3.4	3.4

**Package Description**

Funding is requested to continue to operate the SR 167 HOT Lanes in south King County to reduce travel time and congestion, as well as provide additional options for drivers on the corridor. This package provides funding for SR 167’s cost share of the customer service center, marketing/education, staff, and the electronic tolling system (see Attachment A).

WSDOT has contracted with Electronic Transaction Consultant Corporation (ETCC) for customer service through June 2014. ETCC will provide customer service for the *Good To Go!* electronic tolling program, payment processing, and business management for SR 167 HOT Lanes. Under a separate contract, ETCC supports the maintenance of the roadway equipment on SR 167 HOT Lanes that is needed to collect tolls (i.e., cameras and antennas).

If WSDOT continues to operate SR 167 HOT Lanes, the toll collection system may need to be upgraded in a future biennia to meet interoperability requirements within Washington and nationally. Future upgrades to the toll collection system are not included in this decision package.

**Narrative Justification and Impact**

**What specific performance outcomes does the agency expect?**

1. WSDOT expects to collect tolls from approximately 4,500 transactions per day from SR 167 HOT Lanes during the 2013-15 biennium.

2. Without funding and legislative authorization, WSDOT would be unable to collect tolls.
3. In Fiscal Year (FY) 2014, the customer service center expects to manage approximately 50,000 account holders who use SR 167 HOT Lanes.

### **Performance Measure Detail**

N/A

### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. The decision package supports WSDOT's goal to promote and develop transportation systems that stimulate, support, and enhance the movement of people and goods to ensure a prosperous economy.

### **Does this decision package provide essential support to meet one of the Governor's priorities? If so, please describe.**

Yes. This request meets the Governor's priority to support economic development by improving statewide mobility of people, goods, and services.

### **Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

This funding proposal is a necessary condition to improve commute times and traffic congestion.

### **Identify important connections or impacts related to this proposal.**

1. WSDOT expects to collect tolls from approximately 4,500 transactions per day from SR 167 HOT Lanes during the 2013-15 biennium.
2. Without funding, WSDOT would be unable to collect tolls.
3. In FY 2014, the customer service center expects to manage approximately 50,000 account holders who use SR 167 HOT Lanes.

### **What alternatives were explored, and why was this alternative chosen?**

WSDOT could develop a stand-alone customer service facility for each corridor, but this would create duplicate functions that would be more costly. By developing a centralized back office/customer service center and allocating the costs to each facility, WSDOT is able to reduce costs through efficiencies.

### **What are the consequences of not funding this package?**

If funding is not provided to administer SR 167 HOT Lanes tolling, the following impacts to the corridor would occur:

- Increased travel time
- Increased traffic congestion
- Fewer choices for drivers

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Expenditure Calculations and Assumptions**

In FY 2012, WSDOT established a central back office and customer service center to collect tolls on the SR 520 Bridge, TNB, and the SR 167 HOT Lanes. Costs are shared between the three facilities based off a methodology that was developed, in collaboration with the Office of Financial Management (OFM) and legislative staff, in FY 2011. Because the allocation percentages vary slightly from month to month and there is still limited data on SR 520 Bridge (data will improve as SR 520 traffic stabilizes), for the purpose of this fiscal note, WSDOT is using the May 2012 data (see Attachment B) to allocate its shared costs. (May 2012 was the last complete monthly data available at the time this decision package was developed.) For example, the cost allocation for staff is 56.7 percent for SR 520 Bridge, 40.6 percent for TNB, and 2.7 percent for SR 167 HOT Lanes. If these assumptions change, it will impact the cost estimates for this decision package.

If WSDOT continues to operate SR 167 HOT Lanes, the toll collection system may need to be upgraded in future biennia to meet interoperability requirements within Washington and nationally. Future upgrades to the toll collection system are not included in this decision package.

The following subsections describe costs grouped by objects of expenditures.

**Objects A and B:**

Funding is requested for 0.7 FTE for Toll Operations, which is comprised of SR 167's share of technical, customer service, and financial positions (see Attachment C). Additionally, 2.7 FTEs are requested for WSDOT's Northwest Region Maintenance and Traffic Management Center positions. These employees would monitor and manage traffic, provide incident response support, and provide toll collection system support for SR 167 HOT Lanes.

**Object C:**

SR 167's share of consultant support for technical expertise related to tolling-specific challenges is estimated to be \$30,000 biennially. In addition, \$100,000 per biennium is requested to develop traffic and revenue analysis for quarterly forecasts.

**Object E:**

The customer service center and toll collection vendors' costs are based on current contracts, which run through FY 2014. ETCC will provide customer assistance with setting up accounts, answering customer questions, and producing invoices. For FY 2015 and out biennia, the department assumes a "transaction-based" cost estimate of approximately 21 cents per transaction. This estimate is based on the scope of work and performance requirements that

are similar to the current ETCC contract from other toll facilities in Texas. Under a separate contract, ETCC supports the maintenance of the lane system roadway equipment on SR 167 HOT Lanes that is needed to collect tolls.

Funding is provided for postage, credit card and banking fees, customer service center and electronic toll vendor costs, transponders, Washington State Patrol, and standard goods and services costs for staff. Funding is also provided for standard maintenance costs such as equipment, materials, and Transportation Equipment Fund (TEF) costs.

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

All costs are ongoing.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
A - Salaries and Wages	208,000	208,000	416,000	416,000	416,000
B - Benefits	63,000	63,000	126,000	126,000	126,000
C - Personal Service Contracts	65,000	65,000	130,000	131,000	133,000
E - Goods and Services	628,000	659,000	1,287,000	1,352,000	1,390,000
<b>Total by Object</b>	<b>964,000</b>	<b>995,000</b>	<b>1,959,000</b>	<b>2,025,000</b>	<b>2,065,000</b>

<b>Salary and FTE Detail</b>						
<b>List Positions by Classification</b>	<b>FTEs</b>			<b>Dollars</b>		
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
See Attachment C	3.4	3.4	3.4	208,000	208,000	416,000
<b>Total</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>208,000</b>	<b>208,000</b>	<b>416,000</b>

<b>Out Biennia</b>				
<b>List Positions by Classification</b>	<b>FTEs</b>		<b>Dollars</b>	
	<b>2015-17</b>	<b>2017-19</b>	<b>2015-17</b>	<b>2017-19</b>
See Attachment C	3.4	3.4	416,000	416,000
<b>Total</b>	<b>3.4</b>	<b>3.4</b>	<b>416,000</b>	<b>416,000</b>

**Attachment A - Cost Detail**

<b>SR-167 HOT Lanes</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-2015</b>	<b>Biennium</b>	<b>2015-2017</b>	<b>Biennium</b>	<b>2017-2019</b>	<b>Biennium</b>
FTE Staff Years - Operations	0.7	0.7	0.7		0.7		0.7	
FTE Staff Years - Maintenance <sup>1</sup>	2.7	2.7	2.7		2.7		2.7	
<b>FTE Staff Years</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>		<b>3.4</b>		<b>3.4</b>	
<b>Object A - Salaries and Wages</b>								
Salaries and Wages - Operations	\$ 45,690	\$ 45,690	\$ 91,380		\$ 91,380		\$ 91,380	
Salaries and Wages - Maintenance <sup>1</sup>	\$ 162,310	\$ 162,310	\$ 324,620		\$ 324,620		\$ 324,620	
<b>Total Salaries and Wages</b>	<b>\$ 208,000</b>	<b>\$ 208,000</b>	<b>\$ 416,000</b>		<b>\$ 416,000</b>		<b>\$ 416,000</b>	
<b>Object B - Employee Benefits</b>								
30% of Salaries and Wages - Operations	\$ 14,000	\$ 14,000	\$ 28,000		\$ 28,000		\$ 28,000	
30% of Salaries and Wages - Maintenance	\$ 49,000	\$ 49,000	\$ 98,000		\$ 98,000		\$ 98,000	
<b>Total Employee Benefits</b>	<b>\$ 63,000</b>	<b>\$ 63,000</b>	<b>\$ 126,000</b>		<b>\$ 126,000</b>		<b>\$ 126,000</b>	
<b>Object C - Personal Services Contracts</b>								
Toll Operations Technical Oversight	\$ 15,000	\$ 15,000	\$ 30,000		\$ 31,000		\$ 33,000	
Forecasting Activities <sup>2</sup>	\$ 50,000	\$ 50,000	\$ 100,000		\$ 100,000		\$ 100,000	
<b>Total Personal Services Contracts</b>	<b>\$ 65,000</b>	<b>\$ 65,000</b>	<b>\$ 130,000</b>		<b>\$ 131,000</b>		<b>\$ 133,000</b>	
<b>Object E - Goods and Services</b>								
Transponder Purchase, Inventory & Mailing - Offset by Sales Revenue <sup>3</sup>	\$ 63,640	\$ 63,640	\$ 127,280		\$ 127,280		\$ 127,280	
Credit Card & Banking Fees <sup>4</sup>	\$ 27,068	\$ 28,761	\$ 55,829		\$ 62,523		\$ 66,362	
Toll Collection Equipment Maintenance Costs (ETCC) <sup>5</sup>	\$ 112,800	\$ 112,800	\$ 225,600		\$ 225,600		\$ 225,600	
Customer Service Center Vendor Costs <sup>6</sup>	\$ 203,972	\$ 233,204	\$ 437,176		\$ 494,989		\$ 528,994	
Washington State Patrol (Enforcement) <sup>7</sup>	\$ 106,349	\$ 106,349	\$ 212,697		\$ 212,697		\$ 212,697	
Supplies & Materials	\$ 1,434	\$ 1,434	\$ 2,867		\$ 2,867		\$ 2,867	
Rent (\$23/sq. ft)	\$ 20,201	\$ 20,201	\$ 40,402		\$ 40,402		\$ 40,402	
Printing & Postage	\$ 10,360	\$ 10,360	\$ 20,720		\$ 20,720		\$ 20,720	
Computers, System Refinements & Equipment	\$ 17,436	\$ 17,436	\$ 34,873		\$ 34,873		\$ 34,873	
Telephone/Communications	\$ 717	\$ 717	\$ 1,434		\$ 1,434		\$ 1,434	
Purchased Services	\$ 358	\$ 358	\$ 717		\$ 717		\$ 717	
Records Retention	\$ 1,500	\$ 1,500	\$ 3,000		\$ 3,000		\$ 3,000	
Vehicle Operations	\$ 717	\$ 717	\$ 1,434		\$ 1,434		\$ 1,434	
Facility Operations & Maintenance <sup>1</sup>	\$ 61,690	\$ 61,690	\$ 123,380		\$ 123,380		\$ 123,380	
<b>Total Goods and Services</b>	<b>\$ 628,000</b>	<b>\$ 659,000</b>	<b>\$ 1,287,000</b>		<b>\$ 1,352,000</b>		<b>\$ 1,390,000</b>	
<b>Total Requested Appropriation Authority</b>	<b>\$ 964,000</b>	<b>\$ 995,000</b>	<b>\$ 1,959,000</b>		<b>\$ 2,025,000</b>		<b>\$ 2,065,000</b>	

1) Toll Collection Equipment Maintenance are based on WSDOT Northwest Region actual 2012 costs for Traffic Management Center, Incident Response, and Toll Equipment Support.

2) Forecasting Activities consist of Traffic and Revenue Analysis.

3) Transponder costs are based on Jan 2012 - June 2012 average transponder replacement rate of 20,000 (for all toll facilities) per month.

4) Credit Card & Banking Fees based on June 2012 Projected Revenue Forecast and May 2012 Non-cash transaction allocation splits per facility. Assumes 2.55% fee for credit card transactions.

5) Toll Collection Equipment Maintenance based on ETCC contract for software support.

6) Customer Service Center Vendor costs include ETCC contract costs for FY 2014. FY 2015 -19 are based on a 21 cent per transaction costs.

7) Washington State Patrol costs are based on FY 2012 contract costs.

## Attachment B - Allocation Split Detail

<u>Allocation Splits (May 2012)</u>	<u>Toll Facility</u>			<u>Allocated Expenditures</u>
	<u>TNB</u>	<u>SR 167 HOT Lanes</u>	<u>SR 520 Bridge</u>	
Transaction Count #1 - Trxn Cnt by Facility	40.6%	2.7%	56.7%	Salaries, Common Expenses
Transaction Count #2 - Trxn Cnt of Good to Go! Acct Trxns	38.0%	3.7%	58.3%	Transponder Revenue, Transponder Cost of Goods Sold
Transaction Count #3 - Trxn Cnt - Good to Go! & License Plate Accts Trxns	36.6%	3.4%	60.0%	Paper Statement and Reprinting Fees
Transaction Count #4 - Trxn Cnt - Pay By Mail Trxns	12.4%	0.0%	87.6%	Pay By Mail Postage, Department of Licensing, Law Enforcement Systems
Transaction Count #5 - Trxn Cnt - License Plate Acct and Pay By Mail Trxns	15.6%	0.0%	84.4%	Adjudication Costs
Transaction Count #6 - Trxn Cnt - Good to Go! & LP Accts & PBM Trxns	34.2%	3.0%	62.8%	ETCC and Postage (other than Good to Go! & Pay By Mail)
Revenue Count #1 - Rev Cnt - All Facilities	44.0%	1.0%	55.0%	Bank Fees
Revenue Count #2 - Rev Cnt - No Booths	36.0%	1.0%	63.0%	Credit Card Fees

Note: Allocation Split methodology was developed through a detailed analysis and survey of other toll facilities throughout the U.S. and a collaboration of WSDOT Accounting, Finance and Toll Operations professionals. Each month the various allocation splits are updated with prior month's traffic and revenue results.

**Attachment C - Salary and FTE Detail**

<u>Position - Job Class</u>	<u>% Time Allocated</u>	<u>FY2014</u>		<u>FY 2015</u>		<u>FY 2013-2015 Biennium</u>		<u>FY 2015-2017 Biennium</u>		<u>FY 2017-2019 Biennium</u>	
		<u>FTE</u>	<u>Salary</u>	<u>FTE</u>	<u>Salary</u>	<u>FTE</u>	<u>Salary</u>	<u>FTE</u>	<u>Salary</u>	<u>FTE</u>	<u>Salary</u>
<b><u>Toll Division Finance &amp; Prog. Mgmt.</u></b>											
Contract Specialist 2 (CS2)	3%	0.03	\$ 1,506	0.03	\$ 1,506	0.03	\$ 3,012	0.03	\$ 3,012	0.03	\$ 3,012
Fiscal Analyst 3 (FA3)	3%	0.03	\$ 1,434	0.03	\$ 1,434	0.03	\$ 2,867	0.03	\$ 2,867	0.03	\$ 2,867
Fiscal Analyst 5 (FA5)	3%	0.03	\$ 1,663	0.03	\$ 1,663	0.03	\$ 3,325	0.03	\$ 3,325	0.03	\$ 3,325
Transportation Planning Specialist 5 (TPS5)	3%	0.03	\$ 2,178	0.03	\$ 2,178	0.03	\$ 4,356	0.03	\$ 4,356	0.03	\$ 4,356
<b><u>Toll Division Govt. Rel. &amp; Comm</u></b>											
Communications Consultant 4 (CC4)	0%	0.00	\$ 243	0.00	\$ 243	0.00	\$ 487	0.00	\$ 487	0.00	\$ 487
Communications Consultant 3 (CC3)	1%	0.01	\$ 573	0.01	\$ 573	0.01	\$ 1,147	0.01	\$ 1,147	0.01	\$ 1,147
Communications Consultant 3 (CC3)	1%	0.01	\$ 573	0.01	\$ 573	0.01	\$ 1,147	0.01	\$ 1,147	0.01	\$ 1,147
Washington Mgmt Service 2 (WMS2)	3%	0.03	\$ 2,087	0.03	\$ 2,087	0.03	\$ 4,174	0.03	\$ 4,174	0.03	\$ 4,174
Communications Consultant 5 (CC5)	0%	0.00	\$ 282	0.00	\$ 282	0.00	\$ 565	0.00	\$ 565	0.00	\$ 565
Communications Consultant 4 (CC4)	1%	0.01	\$ 811	0.01	\$ 811	0.01	\$ 1,622	0.01	\$ 1,622	0.01	\$ 1,622
Communications Consultant 4 (CC4)	1%	0.01	\$ 649	0.01	\$ 649	0.01	\$ 1,298	0.01	\$ 1,298	0.01	\$ 1,298
Graphic Designer Senior (GD SR)	1%	0.01	\$ 533	0.01	\$ 533	0.01	\$ 1,066	0.01	\$ 1,066	0.01	\$ 1,066
<b><u>Toll Division Operations</u></b>											
Washington Mgmt Service 3 (WMS3)	3%	0.03	\$ 2,897	0.03	\$ 2,897	0.03	\$ 5,795	0.03	\$ 5,795	0.03	\$ 5,795
Washington Mgmt Service 3 (WMS3)	3%	0.03	\$ 2,926	0.03	\$ 2,926	0.03	\$ 5,853	0.03	\$ 5,853	0.03	\$ 5,853
Information Technology Specialist 5 (ITSS)	3%	0.03	\$ 2,128	0.03	\$ 2,128	0.03	\$ 4,257	0.03	\$ 4,257	0.03	\$ 4,257
Transportation Planning Technician 2 (TPT2)	3%	0.03	\$ 1,364	0.03	\$ 1,364	0.03	\$ 2,728	0.03	\$ 2,728	0.03	\$ 2,728
Transportation Planning Technician 2 (TPT2)	3%	0.03	\$ 1,364	0.03	\$ 1,364	0.03	\$ 2,728	0.03	\$ 2,728	0.03	\$ 2,728
Customer Service Mgr (CSM)	2%	0.02	\$ 1,330	0.02	\$ 1,330	0.02	\$ 2,660	0.02	\$ 2,660	0.02	\$ 2,660
Customer Service Specialist 3 (CSS3)	3%	0.03	\$ 1,093	0.03	\$ 1,093	0.03	\$ 2,187	0.03	\$ 2,187	0.03	\$ 2,187
Customer Service Specialist 2 (CSS2)	1%	0.01	\$ 198	0.01	\$ 198	0.01	\$ 397	0.01	\$ 397	0.01	\$ 397
Customer Service Specialist 2 (CSS2)	3%	0.03	\$ 991	0.03	\$ 991	0.03	\$ 1,983	0.03	\$ 1,983	0.03	\$ 1,983
Customer Service Specialist 2 (CSS2)	1%	0.01	\$ 198	0.01	\$ 198	0.01	\$ 397	0.01	\$ 397	0.01	\$ 397
Transportation Planning Technician 2 (TPT2)	3%	0.03	\$ 1,364	0.03	\$ 1,364	0.03	\$ 2,728	0.03	\$ 2,728	0.03	\$ 2,728
Transportation Planning Technician 2 (TPT2)	3%	0.03	\$ 1,364	0.03	\$ 1,364	0.03	\$ 2,728	0.03	\$ 2,728	0.03	\$ 2,728
Transportation Engineer 3 (TE3)	3%	0.03	\$ 1,882	0.03	\$ 1,882	0.03	\$ 3,764	0.03	\$ 3,764	0.03	\$ 3,764
Transportation Engineer 1 (TE1)	3%	0.03	\$ 1,544	0.03	\$ 1,544	0.03	\$ 3,088	0.03	\$ 3,088	0.03	\$ 3,088
Transportation Engineer 2 (TE2)	3%	0.03	\$ 1,705	0.03	\$ 1,705	0.03	\$ 3,409	0.03	\$ 3,409	0.03	\$ 3,409
Transportation Engineer 2 (TE2)	3%	2.7%	\$ 1,705	2.7%	\$ 1,705	2.7%	\$ 3,409	2.7%	\$ 3,409	2.7%	\$ 3,409
<b><u>Headquarters Accounting Office</u></b>											
Washington Mgmt Service 2 (WMS2)	3%	0.03	\$ 2,237	0.03	\$ 2,237	0.03	\$ 4,474	0.03	\$ 4,474	0.03	\$ 4,474
Fiscal Analyst 4 (FA4)	3%	0.03	\$ 1,506	0.03	\$ 1,506	0.03	\$ 3,012	0.03	\$ 3,012	0.03	\$ 3,012
Washington Mgmt Service 2 (WMS2)	3%	0.03	\$ 2,237	0.03	\$ 2,237	0.03	\$ 4,474	0.03	\$ 4,474	0.03	\$ 4,474
Fiscal Analyst 4 (FA4)	3%	0.03	\$ 1,506	0.03	\$ 1,506	0.03	\$ 3,012	0.03	\$ 3,012	0.03	\$ 3,012
<b><u>Headquarters Audit Office</u></b>											
Washington Mgmt Service 2 (WMS1)	3%	0.03	\$ 1,985	0.03	\$ 1,985	0.03	\$ 3,971	0.03	\$ 3,971	0.03	\$ 3,971
<b><u>Northwest Region Maintenance</u></b>											
Transportation Technician 3	108%	1.08	\$ 61,765	1.08	\$ 61,765	1.08	\$ 123,530	1.08	\$ 123,530	1.08	\$ 123,530
Transportation System Technician D	86%	0.86	\$ 59,940	0.86	\$ 59,940	0.86	\$ 119,881	0.86	\$ 119,881	0.86	\$ 119,881
Transportation Engineer 1	71%	0.71	\$ 40,605	0.71	\$ 40,605	0.71	\$ 81,209	0.71	\$ 81,209	0.71	\$ 81,209
<b>Totals</b>		<b>3.37</b>	<b>\$ 208,000</b>	<b>3.37</b>	<b>\$ 208,000</b>	<b>3.37</b>	<b>\$ 416,000</b>	<b>3.37</b>	<b>\$ 416,000</b>	<b>3.37</b>	<b>\$ 416,000</b>

### Supplemental Revenue Information

The official revenue forecast for June 2012 does not show data for future biennia for SR 167 because legislative authorization is needed to continue SR 167 HOT Lanes. However, the alternative forecast for the 2013-15 biennium is as follows:

	<b>2013-15 Biennium</b>
Toll Revenue	2,083,000
Transponder Sales	47,000
Fees	4,000
<b>Total</b>	<b>\$ 2,007,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** BD SR 520 Toll Operations  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Program: B – Toll Operations and Maintenance**

**Recommendation Summary**

The Toll Division of the Washington State Department of Transportation (WSDOT) estimates it will collect more than \$135 million from tolls on the State Route (SR) 520 Bridge for the 2013-15 biennium. The toll revenues collected from SR 520 Bridge are used to pay for debt service, operations and maintenance costs, preservation costs, and up to \$1.9 billion in construction funding for the SR 520 corridor. This decision package funds the operations and maintenance expenditures required to collect the toll revenues.

**Fiscal Detail**

Detail by Fund	FY 2014	FY 2015	2013-15	2015-17	2017-19
16J-1 SR 520 Bridge -State*	13,464,000	14,524,000	27,988,000	32,632,000	36,266,000
<b>Total by Fund</b>	<b>13,464,000</b>	<b>14,524,000</b>	<b>27,988,000</b>	<b>32,632,000</b>	<b>36,266,000</b>
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs*</b>	<b>15.1</b>	<b>15.1</b>	<b>15.1</b>	<b>19.6</b>	<b>24.1</b>

\*Out biennia FTEs and costs reflects preliminary cost estimates needed to support facility maintenance.

**Package Description**

WSDOT was appropriated \$27.3 million in the 2011-13 biennium to administer and collect tolls on SR 520 Bridge. This decision package requests the funding needed to continue to administer tolling on SR 520 Bridge (see Attachment A). This includes SR 520 Bridge’s cost share of the customer service center (CSC), marketing/education, staff, consultant costs, and associated costs such as transponders, printing, postage, credit card fees, and other normal costs of business, as well as maintenance for the electronic tolling system. If funding is not provided for the 2013-15 biennium, WSDOT will not be able to administer and collect tolls on SR 520 Bridge after June 30, 2013.

WSDOT has contracted with Electronic Transaction Consultant Corporation (ETCC) for customer service through June 2014. ETCC will provide customer service for the *Good To Go!* electronic tolling program, payment processing, and business management. WSDOT also has a contract with Telvent for electronic tolling equipment operations and maintenance.

WSDOT has staff to support operations and maintenance of SR 520 Bridge tolling which includes public outreach, vendor management, accounting, and auditing.

## **Narrative Justification and Impact**

### **What specific performance outcomes does the agency expect?**

In Fiscal Year (FY) 2014, WSDOT expects to collect tolls for approximately 65,000 transactions per day and mail out 150,000 toll bills per month to SR 520 drivers.

### **Performance Measure Detail**

N/A

### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. The decision package supports WSDOT's goal to promote and develop transportation systems that stimulate, support, and enhance the movement of people and goods to ensure a prosperous economy.

### **Does this decision package provide essential support to meet one of the Governor's priorities? If so, please describe.**

Yes. This request meets the Governor's priority to support economic development by improving statewide mobility of people, goods, and services.

### **Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

This funding proposal is a necessary condition to improve commute times and to improve road conditions. Tolling is essential to funding projects such as SR 520.

### **Identify important connections or impacts related to this proposal.**

Tolling is essential to funding SR 520 Bridge. Without tolling, the project cannot proceed and funding will not be available to repay debts unless other revenue sources are identified.

### **What alternatives were explored, and why was this alternative chosen?**

WSDOT could develop a stand-alone customer service facility for each corridor, but this would create duplicate functions that would be more costly. By developing a centralized back office/customer service center and allocating the costs to each facility, WSDOT is able to reduce costs through efficiencies.

### **What are the consequences of not funding this package?**

Tolls have been pledged to repay SR 520 Bridge debt, cover operation and maintenance expenditures, and contribute to repair and rehabilitation of the bridge. If tolls cannot be collected, funding will not be available to repay debts unless other revenue sources are identified.

### **What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Expenditure Calculations and Assumptions**

In FY 2012, WSDOT established a central back office and customer service center to collect tolls on SR 520, Tacoma Narrows Bridge (TNB), and the SR 167 high occupancy toll (HOT) Lanes. Costs are shared between the three facilities based off a methodology that was developed, in collaboration with the Office of Financial Management (OFM) and legislative staff, in FY 2011. Because the allocation percentages vary only slightly from month to month and there is still limited data on SR 520 Bridge (data will improve as traffic patterns stabilize), for the purpose of this fiscal note, WSDOT is using the May 2012 data (see Attachment B) to allocate its shared costs. (May 2012 was the last complete monthly data available at the time this decision package was developed.) For example, the cost allocation for staff is 56.7 percent for SR 520, 40.6 percent for TNB, and 2.7 percent for SR 167 HOT Lanes. If these assumptions change, it will impact the cost estimates for this decision package.

For the 2013-15 biennium, SR 520 Bridge facility maintenance will not be covered by toll revenues (Program B). Instead, while the floating bridge is under construction, maintenance of the existing bridge will be covered through the Maintenance Program (Program M). Once the new bridge is operationally complete (assumed FY 2017), per Chapter 367, Laws of 2011 (ESHB 1175) Section 305(35), the department assumes toll revenue will be used to pay for all facility maintenance on the new bridge.

The following subsections describe costs grouped by objects of expenditures.

**Objects A and B:**

Toll operations require technical and customer service positions (see Attachment C). The technical positions include transportation engineers and transportation planning technicians. They track, trouble-shoot, coordinate data transfer between the toll collection vendor and the customer service vendor, ensure compliance with the toll collection vendor contract, conduct quality assurance testing, and ensure that the toll collection system works. Customer service specialists are required to respond to customer inquiries and complaints and work with technical staff to resolve billing and data issues. Costs for these activities are shared between the three toll facilities. The Toll Operations FTEs in this package represent SR 520's share of the centralized back office work.

Accounting positions (see Attachment C) are required to monitor and oversee the financial work done by the customer service center and toll collection vendors, develop financial statements, and audit toll collections. These positions would also verify that expenditures and revenues are allocated accurately.

Marketing/education/communications positions (see Attachment C) are required to educate the public, businesses, and governmental bodies about payment options. In addition,

communications staff assists the Washington State Transportation Commission with the toll rate setting process.

**Object C:**

Funding is required for SR 520 Bridge's share of consultant support to provide technical expertise related to tolling-specific challenges and assist the Transportation Commission with rate setting activities. The department assumes it would need 5,100 hours per year of consultant support for all toll facilities, at \$109 per hour, for an estimated cost to SR 520 of \$316,000 per year (5,100 hours x \$109 hourly rate x 56.7 percent (SR520's allocation) = \$316,000 per year).

Funding is required to develop traffic and revenue analysis for monthly monitoring and quarterly forecasts. Additionally, funding is requested for the annual cost of service studies (also referred to as Benchmark Studies) that were recommended by the Expert Review Panel in their August 22, 2011 *Findings and Recommendations Report* to more effectively manage operations and reduce costs.

As part of the Master Bond Resolution, the department is required to have its revenue, as well as operations and maintenance costs certified by independent consultants. The department estimates that these activities would cost \$150,000 per year.

**Object E:**

The customer service center and toll collection vendors' costs are based on current contracts, which run through FY 2014. ETCC will provide customer assistance with setting up accounts, answering customer questions, and producing invoices. For FY 2015 and out biennia, the department assumes a "transaction-based" cost estimate of approximately 21 cents per transaction. This estimate is based on the scope of work and performance requirements that are similar to the current ETCC contract from other toll facilities in Texas. Under a separate contract, the toll collection vendor (Telvent) will install and maintain the roadway equipment needed to collect tolls (i.e., cameras and antennas). The toll collection systems contract is in effect through FY 2021.

Bridge insurance and business interruption coverage are required, per Master Bond Resolution 1117, and are negotiated annually. Expenditures also include transponders, postage, credit card and banking fees, and standard goods and service costs to support staff. Transponder costs are expected to be offset by transponder sales revenue.

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

All costs are ongoing.

<b>Objects of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
A - Salaries and Wages	967,000	967,000	1,934,000	2,964,000	3,993,000
B - Benefits	290,000	290,000	580,000	889,000	1,198,000
C - Personal Service Contracts	986,000	986,000	1,972,000	2,195,000	2,029,000
E - Goods and Services	11,221,000	12,281,000	23,502,000	26,584,000	29,046,000
<b>Total by Object</b>	<b>13,464,000</b>	<b>14,524,000</b>	<b>27,988,000</b>	<b>32,632,000</b>	<b>36,266,000</b>

<b>Salary and FTE Detail</b>						
<b>List Positions by Classification</b>	<b>FTEs</b>			<b>Dollars</b>		
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
See Attachment C	15.1	15.1	15.1	967,000	967,000	1,934,000
<b>Total</b>	<b>15.1</b>	<b>15.1</b>	<b>15.1</b>	<b>967,000</b>	<b>967,000</b>	<b>1,934,000</b>

<b>Out Biennia</b>				
<b>List Positions by Classification</b>	<b>FTEs</b>		<b>Dollars</b>	
	<b>2015-17</b>	<b>2017-19</b>	<b>2015-17</b>	<b>2017-19</b>
See Attachment C	19.6	24.1	2,964,000	3,993,000
<b>Total</b>	<b>19.6</b>	<b>24.1</b>	<b>2,964,000</b>	<b>3,993,000</b>

Note: FY 2015-17 FTE represent only one year of maintenance support.

**Attachment A –Cost Detail**

<b>SR-520 Bridge Toll Operations</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-2015 Biennium</b>	<b>2015-2017 Biennium</b>	<b>2017-2019 Biennium</b>
FTE Staff Years - Operations	15.1	15.1	15.1	15.1	15.1
FTE Staff Years - Maintenance <sup>1</sup>	-	-	-	4.5	9.0
<b>FTE Staff Years</b>	<b>15.1</b>	<b>15.1</b>	<b>15.1</b>	<b>19.6</b>	<b>24.1</b>
<b>Object A - Salaries and Wages</b>					
Salaries and Wages - Operations	\$ 967,244	\$ 967,244	\$ 1,934,487	\$ 1,934,487	\$ 1,934,487
Salaries and Wages - Maintenance <sup>1</sup>	\$ -	\$ -	\$ -	\$ 1,029,415	\$ 2,058,830
<b>Total Salaries and Wages</b>	<b>\$ 967,000</b>	<b>\$ 967,000</b>	<b>\$ 1,934,000</b>	<b>\$ 2,964,000</b>	<b>\$ 3,993,000</b>
<b>Object B - Employee Benefits</b>					
30% of Salaries and Wages - Operations	\$ 290,100	\$ 290,100	\$ 580,200	\$ 580,346	\$ 580,346
30% of Salaries and Wages - Maintenance	\$ -	\$ -	\$ -	\$ 308,824	\$ 617,649
<b>Total Employee Benefits</b>	<b>\$ 290,000</b>	<b>\$ 290,000</b>	<b>\$ 580,000</b>	<b>\$ 889,000</b>	<b>\$ 1,198,000</b>
<b>Object C - Personal Services Contracts</b>					
Toll Operations Technical Oversight	\$ 315,803	\$ 315,803	\$ 631,605	\$ 655,488	\$ 688,672
Forecasting Activities <sup>2</sup>	\$ 670,000	\$ 670,000	\$ 1,340,000	\$ 1,540,000	\$ 1,340,000
<b>Total Personal Services Contracts</b>	<b>\$ 986,000</b>	<b>\$ 986,000</b>	<b>\$ 1,972,000</b>	<b>\$ 2,195,000</b>	<b>\$ 2,029,000</b>
<b>Object E - Goods and Services</b>					
Transponder Purchase, Inventory & Mailing - Offset by Sales Revenue <sup>3</sup>	\$ 1,002,758	\$ 1,002,758	\$ 2,005,517	\$ 2,005,517	\$ 2,005,517
Bridge Insurance Premium <sup>4</sup>	\$ 2,500,000	\$ 2,750,000	\$ 5,250,000	\$ 5,250,000	\$ 5,250,000
Toll Collection Equipment Maintenance Costs (WSDOT) <sup>5</sup>	\$ 73,708	\$ 73,708	\$ 147,416	\$ 147,416	\$ 147,416
Toll Collection Equipment Maintenance Costs (Telvent) <sup>6</sup>	\$ 320,356	\$ 328,143	\$ 648,498	\$ 680,746	\$ 715,289
Customer Service Center Vendor Costs <sup>7</sup>	\$ 4,269,814	\$ 4,881,727	\$ 9,151,541	\$ 10,361,779	\$ 11,073,613
Credit Card & Banking Fees <sup>8</sup>	\$ 1,640,115	\$ 1,746,768	\$ 3,386,882	\$ 3,808,637	\$ 4,050,480
Supplies & Materials	\$ 30,108	\$ 30,108	\$ 60,215	\$ 60,215	\$ 60,215
Rent (\$23/sq. ft)	\$ 90,323	\$ 90,323	\$ 180,646	\$ 180,646	\$ 180,646
Printing & Postage <sup>9</sup>	\$ 1,176,471	\$ 1,260,064	\$ 2,436,535	\$ 2,669,361	\$ 2,750,500
Computers, System Refinements & Equipment	\$ 72,516	\$ 72,516	\$ 145,033	\$ 145,033	\$ 145,033
Telephone/Communications	\$ 15,054	\$ 15,054	\$ 30,108	\$ 30,108	\$ 30,108
Records Retention	\$ 15,000	\$ 15,000	\$ 30,000	\$ 30,000	\$ 30,000
Vehicle Operations	\$ 15,054	\$ 15,054	\$ 30,108	\$ 30,108	\$ 48,108
Facility Operations & Maintenance <sup>1</sup>	\$ -	\$ -	\$ -	\$ 1,184,062	\$ 2,558,621
<b>Total Goods and Services</b>	<b>\$ 11,221,000</b>	<b>\$ 12,281,000</b>	<b>\$ 23,502,000</b>	<b>\$ 26,584,000</b>	<b>\$ 29,046,000</b>
<b>Total Requested Appropriation Authority</b>	<b>\$ 13,464,000</b>	<b>\$ 14,524,000</b>	<b>\$ 27,988,000</b>	<b>\$ 32,632,000</b>	<b>\$ 36,266,000</b>

- 1) Based on the SR 520 Net Revenue Report (Sept 2011), routine facility O& M begins in FY 2017.
- 2) Forecasting Activities include Traffic & Revenue Study, Economic Forecast, Cost of Service Study (Benchmark Study), and Certification Costs.
- 3) Transponder costs are based on Jan 2011 - June 2012 average transponder replacement rate of 20,000 (for all toll facilities) per month.
- 4) Bridge Insurance costs are based on June 2012 estimates from WSDOT Risk Management Office.
- 5) Toll Collection Equipment Maintenance for toll equipment support.
- 6) Toll Collection Equipment Maintenance are based on the current Telvent maintenance contract for 520 Bridge.
- 7) Customer Service Center Vendor costs include ETCC contract costs for FY 2014. FY 2015 -19 are based on a 21 cent per transaction costs.
- 8) Credit Card & Banking Fees based on June 2012 Projected Revenue Forecast and May 2012 Non-cash transaction allocation splits per facility. Assumes 2.55% fee for credit card transactions.
- 9) Printing & Postage Costs of \$0.65 per mailing (\$0.35 postage) are based on actual costs during last 6 months of FY 2012.

## Attachment B - Allocation Split Detail

<u>Allocation Splits (May 2012)</u>	<u>Toll Facility</u>			<u>Allocated Expenditures</u>
	<u>TNB</u>	<u>SR 167 HOT Lanes</u>	<u>SR 520 Bridge</u>	
Transaction Count #1 - Trxn Cnt by Facility	40.6%	2.7%	56.7%	Salaries, Common Expenses
Transaction Count #2 - Trxn Cnt of Good to Go! Acct Trxns	38.0%	3.7%	58.3%	Transponder Revenue, Transponder Cost of Goods Sold
Transaction Count #3 - Trxn Cnt - Good to Go! & License Plate Accts Trxns	36.6%	3.4%	60.0%	Paper Statement and Reprinting Fees
Transaction Count #4 - Trxn Cnt - Pay By Mail Trxns	12.4%	0.0%	87.6%	Pay By Mail Postage, Department of Licensing, Law Enforcement Systems
Transaction Count #5 - Trxn Cnt - License Plate Acct and Pay By Mail Trxns	15.6%	0.0%	84.4%	Adjudication Costs
Transaction Count #6 - Trxn Cnt - Good to Go! & LP Accts & PBM Trxns	34.2%	3.0%	62.8%	ETCC and Postage (other than Good to Go! & Pay By Mail)
Revenue Count #1 - Rev Cnt - All Facilities	44.0%	1.0%	55.0%	Bank Fees
Revenue Count #2 - Rev Cnt - No Booths	36.0%	1.0%	63.0%	Credit Card Fees

Note: Allocation Split methodology was developed through a detailed analysis and survey of other toll facilities throughout the U.S. and a collaboration of WSDOT Accounting, Finance and Toll Operations professionals. Each month the various allocation splits are updated with prior month's traffic and revenue results.

**Attachment C - Salary and FTE Detail**

<u>Position - Job Class</u>	<u>% Time Allocated</u>	<u>FY2014</u>		<u>FY 2015</u>		<u>FY 2013-2015 Biennium</u>		<u>FY 2015-2017 Biennium</u>		<u>FY 2017-2019 Biennium</u>	
		<u>FTE</u>	<u>Salary</u>	<u>FTE</u>	<u>Salary</u>	<u>FTE</u>	<u>Salary</u>	<u>FTE</u>	<u>Salary</u>	<u>FTE</u>	<u>Salary</u>
<b><u>Toll Division Finance &amp; Prog. Mgmt.</u></b>											
Contract Specialist 2 (CS2)	57%	0.57	\$ 31,628	0.57	\$ 31,628	0.57	\$ 63,255	0.57	\$ 63,255	0.57	\$ 63,255
Fiscal Analyst 3 (FA3)	57%	0.57	\$ 30,107	0.57	\$ 30,107	0.57	\$ 60,214	0.57	\$ 60,214	0.57	\$ 60,214
Fiscal Analyst 5 (FA5)	57%	0.57	\$ 34,914	0.57	\$ 34,914	0.57	\$ 69,829	0.57	\$ 69,829	0.57	\$ 69,829
Transportation Planning Specialist 5 (TPS5)	54%	0.54	\$ 45,738	0.54	\$ 45,738	0.54	\$ 91,477	0.54	\$ 91,477	0.54	\$ 91,477
<b><u>Toll Division Govt. Rel. &amp; Comm</u></b>											
Communications Consultant 4 (CC4)	9%	0.09	\$ 5,109	0.09	\$ 5,109	0.09	\$ 10,218	0.09	\$ 10,218	0.09	\$ 10,218
Communications Consultant 3 (CC3)	23%	0.23	\$ 12,043	0.23	\$ 12,043	0.23	\$ 24,086	0.23	\$ 24,086	0.23	\$ 24,086
Communications Consultant 3 (CC3)	23%	0.23	\$ 12,043	0.23	\$ 12,043	0.23	\$ 24,086	0.23	\$ 24,086	0.23	\$ 24,086
Washington Mgmt Service 2 (WMS2)	57%	0.57	\$ 43,822	0.57	\$ 43,822	0.57	\$ 87,644	0.57	\$ 87,644	0.57	\$ 87,644
Communications Consultant 5 (CC5)	9%	0.09	\$ 5,928	0.09	\$ 5,928	0.09	\$ 11,856	0.09	\$ 11,856	0.09	\$ 11,856
Communications Consultant 4 (CC4)	28%	0.28	\$ 17,030	0.28	\$ 17,030	0.28	\$ 34,059	0.28	\$ 34,059	0.28	\$ 34,059
Communications Consultant 4 (CC4)	23%	0.23	\$ 13,624	0.23	\$ 13,624	0.23	\$ 27,248	0.23	\$ 27,248	0.23	\$ 27,248
Graphic Designer Senior (GD SR)	23%	0.23	\$ 11,188	0.23	\$ 11,188	0.23	\$ 22,376	0.23	\$ 22,376	0.23	\$ 22,376
<b><u>Toll Division Operations</u></b>											
Washington Mgmt Service 3 (WMS3)	57%	0.57	\$ 60,844	0.57	\$ 60,844	0.57	\$ 121,689	0.57	\$ 121,689	0.57	\$ 121,689
Washington Mgmt Service 3 (WMS3)	57%	0.57	\$ 61,454	0.57	\$ 61,454	0.57	\$ 122,908	0.57	\$ 122,908	0.57	\$ 122,908
Information Technology Specialist 5 (ITS5)	57%	0.57	\$ 44,698	0.57	\$ 44,698	0.57	\$ 89,396	0.57	\$ 89,396	0.57	\$ 89,396
Transportation Planning Technician 2 (TPT2)	57%	0.57	\$ 28,649	0.57	\$ 28,649	0.57	\$ 57,298	0.57	\$ 57,298	0.57	\$ 57,298
Transportation Planning Technician 2 (TPT2)	57%	0.57	\$ 28,649	0.57	\$ 28,649	0.57	\$ 57,298	0.57	\$ 57,298	0.57	\$ 57,298
Customer Service Mgr (CSM)	45%	0.45	\$ 27,932	0.45	\$ 27,932	0.45	\$ 55,863	0.45	\$ 55,863	0.45	\$ 55,863
Customer Service Specialist 3 (CSS3)	57%	0.57	\$ 22,959	0.57	\$ 22,959	0.57	\$ 45,917	0.57	\$ 45,917	0.57	\$ 45,917
Customer Service Specialist 2 (CSS2)	11%	0.11	\$ 4,164	0.11	\$ 4,164	0.11	\$ 8,328	0.11	\$ 8,328	0.11	\$ 8,328
Customer Service Specialist 2 (CSS2)	57%	0.57	\$ 20,821	0.57	\$ 20,821	0.57	\$ 41,642	0.57	\$ 41,642	0.57	\$ 41,642
Customer Service Specialist 2 (CSS2)	11%	0.11	\$ 4,164	0.11	\$ 4,164	0.11	\$ 8,328	0.11	\$ 8,328	0.11	\$ 8,328
Transportation Planning Technician 2 (TPT2)	57%	0.57	\$ 28,649	0.57	\$ 28,649	0.57	\$ 57,298	0.57	\$ 57,298	0.57	\$ 57,298
Transportation Planning Technician 2 (TPT2)	57%	0.57	\$ 28,649	0.57	\$ 28,649	0.57	\$ 57,298	0.57	\$ 57,298	0.57	\$ 57,298
Transportation Engineer 3 (TE3)	57%	0.57	\$ 39,519	0.57	\$ 39,519	0.57	\$ 79,038	0.57	\$ 79,038	0.57	\$ 79,038
Transportation Engineer 1 (TE1)	57%	0.57	\$ 32,427	0.57	\$ 32,427	0.57	\$ 64,853	0.57	\$ 64,853	0.57	\$ 64,853
Transportation Engineer 2 (TE2)	57%	0.57	\$ 35,797	0.57	\$ 35,797	0.57	\$ 71,595	0.57	\$ 71,595	0.57	\$ 71,595
Transportation Engineer 2 (TE2)	57%	0.57	\$ 35,797	0.57	\$ 35,797	0.57	\$ 71,595	0.57	\$ 71,595	0.57	\$ 71,595
<b><u>Headquarters Accounting Office</u></b>											
Washington Mgmt Service 2 (WMS2)	57%	0.57	\$ 46,975	0.57	\$ 46,975	0.57	\$ 93,951	0.57	\$ 93,951	0.57	\$ 93,951
Fiscal Analyst 4 (FA4)	57%	0.57	\$ 31,628	0.57	\$ 31,628	0.57	\$ 63,255	0.57	\$ 63,255	0.57	\$ 63,255
Washington Mgmt Service 2 (WMS2)	57%	0.57	\$ 46,975	0.57	\$ 46,975	0.57	\$ 93,951	0.57	\$ 93,951	0.57	\$ 93,951
Fiscal Analyst 4 (FA4)	57%	0.57	\$ 31,628	0.57	\$ 31,628	0.57	\$ 63,255	0.57	\$ 63,255	0.57	\$ 63,255
<b><u>Headquarters Audit Office</u></b>											
Washington Mgmt Service 2 (WMS1)	57%	0.57	\$ 41,691	0.57	\$ 41,691	0.57	\$ 83,383	0.57	\$ 83,383	0.57	\$ 83,383
<b><u>Northwest Region Maintenance</u></b>											
Transportation Technician 3		-	\$ -	-	\$ -	-	\$ -	4.50	\$ 1,029,414	9.00	\$ 2,058,830
<b>Totals</b>		<b>15.05</b>	<b>\$ 967,000</b>	<b>15.05</b>	<b>\$ 967,000</b>	<b>15.05</b>	<b>\$ 1,934,000</b>	<b>19.55</b>	<b>\$ 2,964,000</b>	<b>24.05</b>	<b>\$ 3,993,000</b>

### Supplemental Revenue Information

Based on the June 2012 forecast, revenue for SR 520 in the 2013-15 biennium, without civil penalties, is anticipated as follows:

	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
Toll Revenue	135,134,000	159,294,000	171,638,000
Transponder Sales	2,250,000	2,350,000	2,470,000
Civil Penalties	<i>See separate Civil Penalties Decision Package</i>		
Fees	2,070,000	2,120,000	2,120,000
<b>Total</b>	<b>\$ 139,454,000</b>	<b>\$ 170,895,000</b>	<b>\$ 183,057,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** BE SR 520 Civil Penalty Process  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Program: B – Toll Operations and Maintenance**

**Recommendation Summary**

In 2010, the Legislature passed Chapter 249, Laws of 2010 (ESSB 6499) which created a new civil penalty process. If a vehicle uses a toll facility and the vehicle owner does not pay within 80 days from when the facility was used, the owner will receive a notice of civil penalty (NOCP). Funding is expected to be recouped through the civil penalty revenues. In total, the Washington State Department of Transportation (WSDOT) Toll Division estimates it will need \$4.10 million to operate the State Route (SR) 520 civil penalty process in the 2013-15 biennium. Because WSDOT has \$1.85 million in its carry forward level for the SR 520 civil penalty process, WSDOT is requesting an increase of \$2.25 million for the 2013-15 biennium.

**Fiscal Detail**

<b>Detail by Fund</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
17P-1 SR 520 Civil Penalty-Sta	1,118,000	1,136,000	2,254,000	2,303,000	2,320,000
<b>Total by Fund</b>	<b>1,118,000</b>	<b>1,136,000</b>	<b>2,254,000</b>	<b>2,303,000</b>	<b>2,320,000</b>
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>6.5</b>	<b>6.5</b>	<b>6.5</b>	<b>6.5</b>	<b>6.5</b>

**Provide Package Description**

Beginning in December 2011, SR 520 toll bridge users have 80 days to pay a toll before receiving a notice of civil penalty (NOCP). WSDOT mails the first bill to vehicle owners ten days after using the toll facility and a second bill, if the first is not paid, within 40 days. After the 80-day period has elapsed, vehicle owners are subject to a civil penalty.

If the vehicle owner wants to contest the civil penalty, a hearing is scheduled and held. If the vehicle owner is found liable once the hearing is complete, unpaid toll(s), penalty (fees), and administrative fee(s) are collected. This package covers the cost to administer the civil penalty process. (Note: TNB civil penalty costs are included in the PL-BB decision package.)

WSDOT contracts with the Office of Administrative Hearings (OAH) to provide adjudication services (Administrative Law Judges) and Phoenix Protective Corporation for courtroom security. Electronic Transaction Consultant Corporation (ETCC) provides customer service representatives to handle the court files and process payments. WSDOT positions are responsible for verification of all NOCP's prior to issuance. In addition, WSDOT staff will monitor administrative hearing officer performance and track and report on adjudication results. The cost to administer the civil penalty process (see Attachment A) includes staff, goods and services, postage, and credit card fees.

If funding is not provided for the 2013-15 biennium, WSDOT would not be able to administer the adjudication process. If WSDOT could not administer the civil penalty process, there would be no enforcement for SR 520 bridge users to pay their tolls. As a result, WSDOT would collect less overall revenue on the bridge.

## **Narrative Justification and Impact**

### **What specific performance outcomes does the agency expect?**

Toll enforcement supports a fair toll collection system and ensures that WSDOT collects the toll revenue that is due to the state.

### **Performance Measure Detail**

N/A

### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. The decision package supports WSDOT's goal to promote and develop transportation systems that stimulate, support, and enhance the movement of people and goods to ensure a prosperous economy.

### **Does this decision package provide essential support to meet one of the Governor's priorities? If so, please describe.**

Yes. This request meets the Governor's priorities to improve statewide mobility of people, goods and services.

### **Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

This proposal supports an efficient and effective tolling system, which supports the statewide goal to improve the mobility of people, goods, and services.

### **Identify important connections or impacts related to this proposal.**

The civil penalty process is essential to collecting toll revenue, which supports construction on the SR 520 corridor and maintenance, operations and construction debt repayment.

### **What alternatives were explored, and why was this alternative chosen?**

The legislature considered continuing the existing enforcement process whereby a vehicle's driver would commit an infraction if the vehicle crosses a toll facility without paying. This is not a "user friendly" process. The new option is more user friendly and allows the customer more opportunities to pay their tolls before it becomes a civil penalty.

### **What are the consequences of not funding this package?**

Without funding, WSDOT will not be able to administer the adjudication process for SR 520. Pursuing and collecting tolls from vehicle owners who do not pay their bills is essential to

tolling. If WSDOT could not administer the civil penalty process, there would be no enforcement for users to pay their tolls, thereby reducing the amount of revenue WSDOT would be able to collect on SR 520.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Expenditure Calculations and Assumptions**

Because civil penalties have only been issued since April 2012, data on the civil penalty process is preliminary. Early results from the first three months show a 70-75 percent resolution rate on bills sent to customers prior to the NOCP. The remaining number of transactions became NOCPs. WSDOT used these assumptions to develop its estimate (see Attachment B).

Please note: the number of civil penalties requiring adjudication is sensitive to the assumptions. If actuals are substantially different, this could increase or decrease the amount of funding WSDOT would need to administer the civil penalty process.

The following subsections describe costs grouped by objects of expenditures.

**Objects A and B:**

Customer service specialists (toll enforcement officers) positions (see Attachment C) are required to review and verify bills prior to the bill becoming an NOCP. Communications positions are also required to provide support for the civil penalty process. Since the adjudication program penalizes drivers for improper behavior, it is anticipated that communicating an effective and fair message will require a concentrated effort. The requested staffing level in this decision package is lower than the staffing level estimates for the 2011-13 biennium decision package. This reduction is primarily a result of a higher *Good to Go!* program participation rate (transponder users), reducing the number of “pay by mail” customers from the original forecast level.

**Object E:**

Funding is requested for the customer service center based on the current contract with ETCC. ETCC provides customer service staff to schedule hearings and process payments. In addition, ETCC provides space for a courtroom in Seattle. Funding is also requested for continued contract support from OAH and Phoenix Security (security officers) related to the operation of administrative hearings.

Funding is also requested for postage, credit card and banking fees, customer service center and standard costs to support staff. Funding for postage is based on the estimated amount of postage costs associated with NOCP mailing. All costs are expected to be recouped through the NOCP process.

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

All costs are ongoing.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
A - Salaries and Wages	257,000	257,000	514,000	514,000	514,000
B - Benefits	77,000	77,000	154,000	154,000	154,000
E - Goods and Services	784,000	802,000	1,586,000	1,635,000	1,652,000
<b>Total by Object</b>	<b>1,118,000</b>	<b>1,136,000</b>	<b>2,254,000</b>	<b>2,303,000</b>	<b>2,320,000</b>

<b>Salary and FTE Detail</b>						
<b>List Positions by Classification</b>	<b>FTEs</b>			<b>Dollars</b>		
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
See Attachment C	6.5	6.5	6.5	257,000	257,000	514,000
<b>Total</b>	<b>6.5</b>	<b>6.5</b>	<b>6.5</b>	<b>257,000</b>	<b>257,000</b>	<b>514,000</b>

<b>Out Biennia</b>				
<b>List Positions by Classification</b>	<b>FTEs</b>		<b>Dollars</b>	
	<b>2015-17</b>	<b>2017-19</b>	<b>2015-17</b>	<b>2017-19</b>
See Attachment C	6.5	6.5	514,000	514,000
<b>Total</b>	<b>6.5</b>	<b>6.5</b>	<b>514,000</b>	<b>514,000</b>

**Attachment A - Cost Detail (Total Cost)**

<b>SR-520 Bridge Civil Penalty</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-2015 Biennium</b>	<b>2015-2017 Biennium</b>	<b>2017-2019 Biennium</b>
FTE Staff Years	6.5	6.5	6.5	6.5	6.5
<b>A. Salaries and Wages</b>					
Salaries and Wages	\$ 256,738	\$ 256,738	\$ 513,476	\$ 513,476	\$ 513,476
<b>B. Employee Benefits</b>					
30% of salaries and wages	\$ 77,021	\$ 77,021	\$ 154,043	\$ 154,043	\$ 154,043
<b>E. Goods and Services</b>					
CSC Vendor Costs <sup>1</sup>	\$ 689,030	\$ 689,030	\$ 1,378,061	\$ 1,378,061	\$ 1,378,061
Office of Administrative Hearings Contract <sup>2</sup>	\$ 389,494	\$ 389,494	\$ 778,987	\$ 778,987	\$ 778,987
Security Guard Contract <sup>2</sup>	\$ 124,800	\$ 124,800	\$ 249,600	\$ 249,600	\$ 249,600
Supplies & Materials	\$ 156,313	\$ 156,313	\$ 312,625	\$ 312,625	\$ 312,625
Credit Card Fees	\$ 95,600	\$ 95,600	\$ 191,200	\$ 191,200	\$ 191,200
Printing & Postage	\$ 246,988	\$ 264,537	\$ 511,525	\$ 560,404	\$ 577,438
Vehicle Operations	\$ 6,450	\$ 6,450	\$ 12,900	\$ 12,900	\$ 12,900
<b>Total Goods and Services</b>	<b>\$ 1,709,000</b>	<b>\$ 1,726,000</b>	<b>\$ 3,435,000</b>	<b>\$ 3,484,000</b>	<b>\$ 3,501,000</b>
<b>Total Required Appropriation Authority</b>	<b>\$ 2,043,000</b>	<b>\$ 2,060,000</b>	<b>\$ 4,103,000</b>	<b>\$ 4,152,000</b>	<b>\$ 4,169,000</b>

1) Customer Service Center Vendor Civil Penalty Costs are estimated based on current contracts.

2) Office of Administrative Hearing Costs are estimated based on current contracts.

Attachment B - SR 520 Adjudication Process

Adjudication Process Estimates

Fiscal Year	2014			2015			2016			2017			2018			2019				
	%	Monthly	Annual	Units	%	Monthly	Annual	Units	%	Monthly	Annual	Units	%	Monthly	Annual	Units	%	Monthly	Annual	Units
<b>Notice of Civil Penalties Assumptions<sup>1</sup></b>																				
Notice of Civil Penalty (NOCPs)		15,405		NOCPs		15,790		NOCPs		16,185		NOCPs		16,589		NOCPs		17,004		NOCPs
No. of NOCP that are not certified	5%	770			5%	790			5%	809			5%	829			5%	850		871
Number of NOCP Recipients (mailed)		14,635		NOCPs		15,001		NOCPs		15,376		NOCPs		15,760		NOCPs		16,154		NOCPs
No. of NOCP recipients who pay immediately	20%	2,927		NOCPs	20%	3,000		NOCPs	20%	3,075		NOCPs	20%	3,152		NOCPs	20%	3,231		NOCPs
NOCP recipients who still haven't paid, including those who requested a hearing		11,708		NOCPs		12,000		NOCPs		12,300		NOCPs		12,608		NOCPs		12,923		NOCPs
NOCPs recipients who request a hearing	7%	805	9,660	NOCPs	7%	825	9,901	NOCPs	7%	846	10,149	NOCPs	7%	867	10,402	NOCPs	7%	889	10,662	NOCPs
<b>Personnel Needs</b>		<b>Monthly</b>	<b>Annual</b>	<b>Units</b>		<b>Monthly</b>	<b>Annual</b>	<b>Units</b>		<b>Monthly</b>	<b>Annual</b>	<b>Units</b>		<b>Monthly</b>	<b>Annual</b>	<b>Units</b>		<b>Monthly</b>	<b>Annual</b>	<b>Units</b>
<i>Work Assumptions Related to Hearings</i>																				
Hearings			9,660	Hearings			9,901	Hearings			10,149	Hearings			10,402	Hearings			10,662	Hearings
Standard No. of hours available for work per 1 FTE / year			1,400	Hours			1,400	Hours			1,400	Hours			1,400	Hours			1,400	Hours
<i>Work Assumptions Related to Image Review</i>																				
NOCPs Issued (mailed)		15,405		NOCPs		15,790		NOCPs		16,185		NOCPs		16,589		NOCPs		17,004		NOCPs
NOCPs recipients who request a hearing		805		Hearings		825		Hearings		846		Hearings		867		Hearings		889		Hearings
Number of NOCP images that needs to be reviewed		16,210	194,519	NOCPs		16,615	199,382	NOCPs		17,031	204,367	NOCPs		17,456	209,476	NOCPs		17,893	214,713	NOCPs
Estimated Number of NOCP images that 1 FTE/year can review (30/hr)		42,000		NOCPs		42,000		NOCPs		42,000		NOCPs		42,000		NOCPs		42,000		NOCPs
Hearing Support (includes prep work, direct hearing support, and reporting)			1,610	Hours			1,650	Hours			1,691	Hours			1,734	Hours			1,777	Hours
<b>WSDOT Positions</b>																				
Customer Service Specialists			5.8	FTEs			5.9	FTEs			6.1	FTEs			6.2	FTEs			6.4	FTEs

1) Assumptions are based on Toll Bill/NOCP Report as of July 2012 and ETCC Adjudication Reports as of July 2012.

**Attachment C - Salary and FTE Detail**

<u>Position - Job Class</u>	<u>% Time Allocated</u>	<u>FY2014</u>		<u>FY 2015</u>		<u>FY 2013-2015 Biennium</u>		<u>FY 2015-2017 Biennium</u>		<u>FY 2017-2019 Biennium</u>	
		<u>FTE</u>	<u>Salary</u>	<u>FTE</u>	<u>Salary</u>	<u>FTE</u>	<u>Salary</u>	<u>FTE</u>	<u>Salary</u>	<u>FTE</u>	<u>Salary</u>
<b><u>Toll Division Finance &amp; Prog. Mgmt.</u></b>											
Transportation Planning Specialist 5 (TPS5)	5%	0.05	\$ 4,246	0.05	\$ 4,246	0.05	\$ 8,491	0.05	\$ 8,491	0.05	\$ 8,491
<b><u>Toll Division Govt. Rel. &amp; Comm</u></b>											
Communications Consultant 4 (CC4)	10%	0.10	\$ 6,007	0.10	\$ 6,007	0.10	\$ 12,014	0.10	\$ 12,014	0.10	\$ 12,014
Communications Consultant 3 (CC3)	10%	0.10	\$ 5,310	0.10	\$ 5,310	0.10	\$ 10,620	0.10	\$ 10,620	0.10	\$ 10,620
Communications Consultant 3 (CC3)	10%	0.10	\$ 5,310	0.10	\$ 5,310	0.10	\$ 10,620	0.10	\$ 10,620	0.10	\$ 10,620
Communications Consultant 5 (CC5)	10%	0.10	\$ 6,970	0.10	\$ 6,970	0.10	\$ 13,940	0.10	\$ 13,940	0.10	\$ 13,940
Communications Consultant 4 (CC4)	10%	0.10	\$ 6,007	0.10	\$ 6,007	0.10	\$ 12,014	0.10	\$ 12,014	0.10	\$ 12,014
Graphic Designer Senior (GD SR)	10%	0.10	\$ 4,933	0.10	\$ 4,933	0.10	\$ 9,866	0.10	\$ 9,866	0.10	\$ 9,866
<b><u>Toll Division Operations</u></b>											
Customer Service Mgr (CSM)	20%	0.20	\$ 12,316	0.20	\$ 12,316	0.20	\$ 24,631	0.20	\$ 24,631	0.20	\$ 24,631
Customer Service Specialist 3 (CSS3)	80%	0.80	\$ 29,377	0.80	\$ 29,377	0.80	\$ 58,754	0.80	\$ 58,754	0.80	\$ 58,754
Customer Service Specialist 2 (CSS2)	80%	0.80	\$ 29,377	0.80	\$ 29,377	0.80	\$ 58,754	0.80	\$ 58,754	0.80	\$ 58,754
Customer Service Specialist 2 (CSS2)	100%	1.00	\$ 36,722	1.00	\$ 36,722	1.00	\$ 73,443	1.00	\$ 73,443	1.00	\$ 73,443
Customer Service Specialist 2 (CSS2)	100%	1.00	\$ 36,722	1.00	\$ 36,722	1.00	\$ 73,443	1.00	\$ 73,443	1.00	\$ 73,443
Customer Service Specialist 2 (CSS2)	100%	1.00	\$ 36,722	1.00	\$ 36,722	1.00	\$ 73,443	1.00	\$ 73,443	1.00	\$ 73,443
Customer Service Specialist 2 (CSS2)	100%	1.00	\$ 36,722	1.00	\$ 36,722	1.00	\$ 73,443	1.00	\$ 73,443	1.00	\$ 73,443
<b>Totals</b>		<b>6.45</b>	<b>\$ 257,000</b>	<b>6.45</b>	<b>\$ 257,000</b>	<b>6.45</b>	<b>\$ 514,000</b>	<b>6.45</b>	<b>\$ 514,000</b>	<b>6.45</b>	<b>\$ 514,000</b>

### Supplemental Revenue Information

Due to limited data available for civil penalties, the forecast for civil penalties has not been updated since February 2012. The forecast will be updated in September 2012. Based on the February 2012 forecast, revenue for SR 520 civil penalties were estimated as follows:

Civil Penalty Account	2013-15	2015-17	2017-19
Civil Penalties	7,372,000	7,131,000	6,829,000
<b>Total</b>	<b>\$ 7,372,000</b>	<b>\$ 7,131,000</b>	<b>\$ 6,829,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** BF SR 520 O&M Reserve Account  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Program: B – Toll Operations and Maintenance**

**Recommendation Summary**

The Washington State Department of Transportation (WSDOT) is requesting appropriation authority for funds in the SR 520 Operating and Maintenance (O&M) Reserve Subaccount. This account is required as part of the Master Bond Resolution (MBR) 1117 and is used to pay O&M expenses in the event that available toll revenues are insufficient to pay all O&M expenses and other obligations when due. As part of the MBR, toll revenue is being transferred to this reserve account. This package would provide WSDOT the authority to use this reserve account, if necessary.

**Fiscal Detail**

Detail by Fund	FY 2014	FY 2015	2013-15	2015-17	2017-19
16J - 1 SR 520 Tolls - State	6,000,000	-	6,000,000	6,000,000	6,000,000
<b>Total by Fund</b>	<b>6,000,000</b>	<b>-</b>	<b>6,000,000</b>	<b>6,000,000</b>	<b>6,000,000</b>
	FY 2014	FY 2015	2013-15	2015-17	2017-19
Staffing FTEs	0.0	0.0	0.0	0.0	0.0

**Package Description**

MBR 1117 was adopted in September 2011 for the state to issue toll revenue backed bonds. The MBR provides certain terms and covenants for how the state will pay and reimburse state expenditures for eligible toll facilities, provisions to safeguard the payment of principle and interest on the bonds, and authorization for the sale of the bonds in one or more sales.

Because the MBR 1117 requires SR 520 Bridge to be operated and maintained at all times, regardless of the amount of toll revenue collected, this package would allow the state to utilize the accumulated reserves, if necessary, to meet this obligation. O&M expenses are projected to be at least \$12 million annually. While the state revenue forecast projections appear sufficient to cover all O&M costs, this package ensures commitments are met.

This package would provide WSDOT the authority to use this reserve account, if necessary. The appropriation would remain in unallotted status unless this funding is required, at which time WSDOT would request approval from OFM to move this funding out of unallotted status to be used for O&M expenditures.

## **Narrative Justification and Impact**

### **What specific performance outcomes does the agency expect?**

In Fiscal Year (FY) 2014, WSDOT expects to collect tolls for approximately 65,000 transactions per day and mail out 150,000 toll bills per month to SR 520 drivers.

### **Performance Measure Detail**

N/A

### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. The decision package supports WSDOT's goal to promote and develop transportation systems that stimulate, support, and enhance the movement of people and goods to ensure a prosperous economy.

### **Does this decision package provide essential support to meet one of the Governor's priorities? If so, please describe.**

Yes. This request meets the Governor's priority to support economic development by improving statewide mobility of people, goods, and services.

### **Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

This funding proposal is a necessary condition to improve commute times and to improve road conditions. Tolling is essential to funding projects such as SR 520.

### **Identify important connections or impacts related to this proposal.**

In Section 7.01(c)(i) of the MBR, the state commits that it will "provide for the operating and maintenance expenses of the eligible toll facilities." Each month, a prescribed amount of toll revenue is deposited into the O&M Reserve Account as required in section 7.01 of the Bond Covenants. Funds are deposited into this reserve to ensure that the state has the ability to meet unanticipated O&M costs.

Furthermore, in Section 7.02(a) of the MBR, the state covenants that sufficient tolls will be charged "...to meet operation and maintenance expenses..." Under certain provisions, failure to provide adequate funding for O&M could lead to an "event of default".

Prior to adopting a revision to the toll rate schedule, the state must obtain a certificate from the consulting engineer that the O&M expenses are sufficient through the maturity of the bonds (7.02(c)).

In Section 702(a) and (c) of the MBR, the State is required to charge tolls sufficient to populate a reserve account and certify that O&M expenses are sufficient to continue toll collections on the facilities. In this proposal, during an unanticipated event and with the approval of OFM, the

O&M reserve funds would be made available to the toll facility to meet the state's commitment to collect tolls sufficient to meet debt service requirements.

**What alternatives were explored, and why was this alternative chosen?**

The MBR established an O&M reserve account to ensure sufficient funds are available to continue operations and toll collections. Access to the reserve could be needed in the event that toll collections decline or to accommodate an unanticipated operations or maintenance expense on the SR 520 Toll Facility. Under this proposal, accessing the reserve would require approval by OFM. An alternate option would be to request appropriation of the reserve funds without requiring approval by OFM. This alternative does not provide the transparency expected of the department.

Typically, requests for operating expenses are determined at the time the budget is approved. If revenue fails to be realized, expenses are cut to stay within budget; however, because of the MBR, the state must meet pledges to bond holders to keep the tolled facility maintained at a level to continue to toll operations. It appears to be prudent to provide a mechanism that would allow WSDOT to comply with promises to bondholders in the event that revenues fell short of expectations between legislative sessions.

**What are the consequences of not funding this package?**

By Bond Covenant, toll revenue is set aside each month into the O&M reserve account. These funds are only available for O&M activities as defined by the MBR. The department is asking for appropriation authority to address an unanticipated event that could ultimately prevent the state from collecting tolls and meeting its debt service requirements.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

On September 29, 2011, the State Finance Committee adopted MBR 1117 which provided certain terms and covenants for bonds sold. SR 520 bonds were sold under this MBR to help fund construction costs.

**Expenditure Calculations and Assumptions**

The assumptions for how much funding would be available are based on the SR 520 financial plan dated May 23, 2012. For example, if SR 520 O&M expenditures are \$12 million annually, the reserve will be approximately \$6 million. Actual reserve fund balance and actual draws to meet O&M requirements are expected to differ. The funding will be placed in unallotted status. Should it become necessary to access these funds, WSDOT will request approval from OFM to move this funding out of unallotted status to be used for O&M expenditures. Because the department has to choose an object, for the purpose of the decision package, the department is using Object E for this request.

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

Because there will always be an O&M reserve until bonds are paid off, the appropriation authority is ongoing.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
E - Goods and Services	6,000,000	-	6,000,000	6,000,000	6,000,000
<b>Total by Object</b>	<b>6,000,000</b>	<b>0</b>	<b>6,000,000</b>	<b>6,000,000</b>	<b>6,000,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** CA IT Cost Increases  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Program:** C – Information Technology

**Recommendation Summary**

Funding is requested to acquire and maintain necessary software tools to support efficient business practices and to enable the replacement of IT infrastructure equipment necessary to meet current and growing technology needs of the department’s business organizations and the public.

**Fiscal Detail**

<b>Detail by Fund</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
108-1 MVA-State	827,000	827,000	1,654,000	1,654,000	1,654,000
09H-1 TPA-State	71,000	71,000	142,000	142,000	142,000
550-1 TNA-State	71,000	71,000	142,000	142,000	142,000
			-		
<b>Total by Fund</b>	<b>969,000</b>	<b>969,000</b>	<b>1,938,000</b>	<b>1,938,000</b>	<b>1,938,000</b>
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Package Description**

Information technology (IT) software licenses, maintenance contracts, and infrastructure support the efficient delivery of Washington State Department of Transportation (WSDOT) services. Software license and maintenance costs are rising, new software is available to add efficiency to growing workloads around public disclosure, and IT infrastructure must be maintained to continue to meet the demands of department offices and the public.

Software Licenses and Maintenance Contracts

The amount of public disclosure requests has steadily increased from Calendar Year (CY) 2006 (770 requests) to CY 2011 (2,266 requests). With multiple megaprojects under way and the implementation of tolling policies, the number and complexity of public records request are expected to continue at a high level. This creates an administrative burden at the same time that the department is reducing its workforce. The Department of Enterprise Services (DES) offers a Microsoft product (eCal Suite) which provides WSDOT with the ability, when used with Microsoft (MS) Exchange 2010, to be able to search all WSDOT email boxes for specific content, thus minimizing the amount of staff time required to satisfy public disclosure requests. Funding this software would help mitigate the impact to WSDOT and allow WSDOT to manage the increased level of public disclosure requests while maintaining compliance with the Public Records Act (RCW 42.56) and reducing the risk of potential litigation. The cost of this product is estimated to be \$655,000 for the 2013-15 biennium.

Funding is also requested to maintain software licenses and maintenance agreements/contracts that support communications, project development and reporting, bridge design, project management, environmental, business activities (accounting, imaging, inventory, and disaster recovery), and information technology infrastructure (servers, networks, mainframe, and operating systems). The two largest cost increases are: 1) the DES Microsoft Enterprise License contracts; and 2) Cisco's SMARTnet contract. Funding the contract cost changes ensures that WSDOT will be able to continue to support project delivery, program activities, and business operations.

DES manages the statewide Microsoft License. The license was renegotiated in the 2011-13 biennium, resulting in a net increase of \$223,000 to WSDOT.

To meet the Payment Card Industry Data Security Standards (PCI DSS), WSDOT purchased and upgraded network equipment devices. If there are security issues with these devices, WSDOT business units will not be able to process credit cards purchases. In addition, if credit card use is not conducted in a secure environment, WSDOT could be held liable for any credit card losses. Therefore, WSDOT included these devices in the Cisco's SMARTnet maintenance contract. This contract provides the department access to the technical assistance center (TAC) for troubleshooting, access to input/output systems (IOS) software upgrades, and replacement of failed equipment. As a result, the biennium increase to the Cisco SMARTnet contract was \$277,700 for the 2011-13 biennium.

#### IT Infrastructure

Funding is provided to maintain current investments in IT infrastructure and web applications to meet current demands. The department's web site provides essential travel and traffic safety information to Washington motorists. It also produces revenue from the sale of services, such as ferry passes, tolling passes, tolling transponders, trucking permits, and aircraft registrations. The department's web site has become a critical internal operational system and serves thousands of visitors each day.

The department is requesting funds to:

1. Replace network routers, switches and security devices. Funding will improve the department's performance, reliability, network capacity, and improve the security of public web services.
2. Renew web load balancing appliance. In the 2009-11 biennium, a web availability decision package was approved and one-time funding was provided for the acquisition of a web load balancing and acceleration device that significantly enhanced the performance and capacity of the public web presence. Funding is requested for the ongoing maintenance of this device.

These investments are essential to maintain the department's IT infrastructure and to ensure it is capable of meeting the peak demands of the business processes and public services that are dependent upon it (\$688,000 per biennium).

## **Narrative Justification and Impact**

### **What specific performance outcomes does the agency expect?**

These licenses and agreements are critical to the department's project delivery, program, activities, and business operations. In addition, the department expects to maintain improved availability to the public and business partners who depend on the web site for critical public safety and traffic information services, department program information and e-commerce services; and decreased service disruptions during major public safety events such as natural disasters, winter storms and road closures that usually result in peak usage times.

### **Performance Measure Detail**

N/A

### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. The department relies on information technology for efficient operations.

### **Does this decision package provide essential support to meet one of the Governor's priorities? If so, please describe.**

Yes. This decision package supports the Governor's priority to deliver government services in a streamlined and efficient manner.

### **Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes. This supports the Priority of Government goal to improve government efficiency. Additionally, these licenses and agreements are critical to the department's project delivery, program, activities, and business operations, which support the Priorities of Government goal to improve statewide mobility of people, goods, and services.

### **Identify important connections or impacts related to this proposal.**

After the winter storms of December 2007 and January 2008, the public commented that the department's web site was not available when it was needed the most. The 2009 decision package provided the ability to improve web site availability during peak usage times such as public safety events like earthquakes, winter storms and road closures. Continued support, however, is imperative to maintain improved service.

### **What alternatives were explored, and why was this alternative chosen?**

The department currently is very proactive in negotiating contract terms and standardizing software to decrease the amount of products in use. Discontinued use of proposed software license and maintenance items was not determined as a good business practice alternative.

**What are the consequences of not funding this package?**

Due to the increased amount of public disclosure requests, if funding is not provided for eCAL, the department may not be able to maintain compliance with the Public Records Act (RCW 42.56). Additionally, some contracts may have to be terminated, requiring the department to return to manual or less efficient operations. Software licenses are essential to the department. As documented in the *State Auditor’s Office IT Services and Cost Study*, WSDOT OIT has been identified for having a low IT cost profile. This is due in part to the IT staff workload ratio being higher than industry averages. However, any further reduction in resources to software support could have a significant impact on service delivery both internal and external to WSDOT. IT is a cost-reducer for WSDOT and IT relies on software.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Expenditure Calculations and Assumptions**

The Office of Information Technology manages more than 121 individual software licenses and maintenance agreements. The estimated costs for these software agreements are based on either signed contracts as of June 30, 2012, or the actual costs of the prior year’s invoice. Because funding is only requested for known contract costs, there will always be a lag in determining the increased cost for software licenses and maintenance agreements. For example, the department is using the difference between the 2011-13 biennium software costs and the 2009-11 biennium software costs to determine the increased costs for the 2013-15 biennium. In addition to the eCAL license cost, the software agreements have been grouped into three categories: 1) software agreement increases; 2) software agreements that remained the same; and 3) software agreement decreases.

Vendor	2007-2009 Actual Costs	2009-11 Actual Costs	2011-13 Estimated Costs	Biennial Increase
eCAL-DES Microsoft (EA)	-	-	655,000	655,000
Software Licenses increasing (63)	4,202,978	5,131,274	7,071,106	1,939,832
Software Licenses unchanged (30)	254,277	226,330	226,330	-
Software Licenses decreasing (28)	2,618,960	3,015,330	1,670,200	(1,345,130)
<b>Total</b>	<b>7,451,349</b>	<b>8,720,394</b>	<b>9,315,096</b>	<b>1,249,702</b>

Funding is requested to replace equipment that is critical to the department’s IT infrastructure and can no longer meet the required service levels. Cost estimates are based on vendor quotes and historical payments.

<b>Item</b>	<b>Service Investment</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
1	Replace Switches & Routers	645,994	552,334	645,994
2	Renew Web Load Balancing Software & Equip	42,120	135,780	42,120
	<b>Total</b>	<b>688,114</b>	<b>688,114</b>	<b>688,114</b>

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

All costs are ongoing.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
E - Goods and Services	625,000	625,000	1,250,000	1,250,000	1,250,000
J - Capital Outlay	344,000	344,000	688,000	688,000	688,000
<b>Total by Object</b>	<b>969,000</b>	<b>969,000</b>	<b>1,938,000</b>	<b>1,938,000</b>	<b>1,938,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** CB COP for Timekeeping System  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Program:** C – Office of Information Technology

**Recommendation Summary**

Washington State Department of Transportation (WSDOT) is working in collaboration with the Department of Enterprise Services (DES) and the Office of Financial Management (OFM) to implement a configurable off-the-shelf Time, Leave, and Attendance (TLA) System. This system will improve the department’s current timekeeping processes which are inefficient and error prone, requiring manual processes and duplicate data entry. Additionally, this implementation will enhance the agency’s ability to meet current statutory and regulatory requirements, while providing the flexibility to support the agency’s complex collective bargaining agreements.

In the 2011-13 biennium, the department received authority to request a certificate of participation (COP) for \$10.8 million to purchase and implement a TLA system. While Phase 1 activities (planning and analysis) have commenced, actual vendor selection is expected to occur by June 2013. The department will not request the COP until the 2013-2015 biennium to allow Phase 1 activities to be completed and the Request for Proposal (RFP) process to be carried out. Funding is requested for the COP payments that the department will be required to pay in the 2013-15 biennium.

**Fiscal Detail**

Detail by Fund	FY 2014	FY 2015	2013-15	2015-17	2017-19
108-1 MVA-State	289,000	1,771,000	2,060,000	3,547,000	3,545,000
<b>Total by Fund</b>	<b>289,000</b>	<b>1,771,000</b>	<b>2,060,000</b>	<b>3,547,000</b>	<b>3,545,000</b>
	FY 2014	FY 2015	2013-15	2015-17	2017-19
<b>Staffing FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Package Description**

As documented in the *Time, Leave, and Labor Distribution Feasibility Study (TLLD)*, the department’s current timekeeping systems, which were both built in the early 1980s, are outdated and do not meet critical agency business needs. Additionally, the current process requires substantial manual processes and lacks adequate internal controls in the timekeeping process. WSDOT has eleven collective bargaining agreements which are very complex and require manual processes to support. The systems fail to provide WSDOT management with timely access to timekeeping and compensation data which is vital to effectively manage staff resources delivering construction services, maintenance services, and complex ferries operations. The lack of data to support management evaluation and data-driven decision making impacts daily operational activities, as well as the state’s ability to effectively bargain labor issues to ensure effective and efficient management of state resources.

By implementing a new TLA system, the department will be able to change its time, leave and attendance processes to an automated process, which will improve data integrity through edit checks, as well as improve internal controls. Additionally, the department will be better able to meet current statutory and regulatory requirements and have the flexibility to address future changes to collective bargaining agreements.

The department is working in collaboration with the Department of Enterprise Services (DES) and the Office of Financial Management (OFM) to implement a configurable off-the-shelf Time, Leave, and Attendance (TLA) System, which represents the next step toward a statewide enterprise resource planning (ERP) solution. This new TLA system will be implemented as a standardized, centralized application able to be leveraged by other Washington State agencies.

### **Narrative Justification and Impact**

#### **What specific performance outcomes does the agency expect?**

The new TLA system will allow the department to implement an automated timekeeping system, which will increase efficiency and improved internal controls.

#### **Performance Measure Detail**

N/A

#### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. This decision package is essential to implementing WSDOT's objective to replace priority legacy systems, as identified in the *2005 Critical Applications Assessment*. WSDOT's strategic plan recognizes the importance of partnering with other state agencies to ensure that WSDOT systems are integrated and compatible with other state agencies. This decision package implements a new TLA system for WSDOT in coordination with DES and OFM.

#### **Does this decision package provide essential support to meet one of the Governor's priorities? If so, please describe.**

Yes. This decision package supports the Governor's priority to deliver government services in a streamlined and efficient manner.

#### **Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes, this supports the Priorities of Government goal to improve government efficiency.

#### **Identify important connections or impacts related to this proposal.**

Additional Stakeholders include:

- Office of Financial Management (OFM)
- Department of Enterprise Services (DES)
- Other State Agencies

- Department of Ecology (ECY)
- Department of Health and Social Services (DSHS)

The need to automate timekeeping and payroll processes and controls by implementing a robust TLA system has been identified in multiple audits and as part of previous task forces.

These include:

- 2004 Transportation Performance Audit Board's review of WSDOT's Use of Performance Measurement
- 2005 Joint Legislative Audit and Review Committee's Overview of WSDOT Capital Project Management
- *2005 Critical Applications Modernization & Integration Strategy*
- 2007 WSDOT Administration and Overhead Performance Audit
- *2009 Critical Applications Implementation - Feasibility Study*
  - *2009 Time, Leave and Labor Distribution Feasibility Study*
- 2010 State Auditor's Office Evaluation of Ferry System Payroll and Timekeeping Processes

#### **What alternatives were explored, and why was this alternative chosen?**

Three alternatives were explored by the TLLD. DES, OFM, and WSDOT determined that this option would be the most cost effective solution to the issue.

While it has been decided that a commercial off the shelf (COTS) product will be procured, a decision as to type of contract (software as a services (SaaS) or traditional licensed model) will not be known until vendor proposals are received and evaluated late in Fiscal Year (FY) 2013. Should SaaS be chosen, a COP will not be issued.

#### **What are the consequences of not funding this package?**

As identified in the TLLD, the risks are:

- WSDOT may be found non-compliant with the mandatory federal and state requirements for tracking Family and Medical Leave Act (FMLA) leave accruals and liquidations. This is an area of substantial risk; agencies are using manual processes to ensure compliance with FMLA standards.
- WSDOT may be found non-complaint with the Federal Fair Labor Standards Act, which mandates that all employees need to submit time worked – not just the exception time, or leave requests as most salaried employees have traditionally done. Because the current systems do not have electronic signature capability, agencies are either using a separate system to track time sheets or printing, signing and storing paper time sheets for all overtime eligible employees.
- WSDOT may be found non-complaint with collective bargaining agreements. Limitations in the current timekeeping systems make it difficult to implement and track provisions of the numerous collective bargaining agreements that are in place. These limitations increase the risk of grievances being filed and of a labor union raising a past practices argument during labor negotiations.

- Because current WSDOT systems are manual and labor intensive with limited edits at the point of time entry, there is a substantial risk of errors being made in the timekeeping processes. This includes the risk of miscalculating pay, overtime being earned but not paid, and overuse of leave, among other issues.
- WSDOT’s existing systems will continue to lack adequate internal controls. As noted in the State Auditor’s *2007 WSDOT Administrative and Overhead Performance Audit*, for example, WSDOT’s current timekeeping systems lack a number of typical controls such as restricting the charge codes a user can select, a systematic process for reviewing and approving changes to time sheets, and an audit trail of initial entries and any subsequent changes.
- The timekeeping and payroll processes in WSDOT are very labor intensive due to both the manual entry of employee timesheets by timekeepers in various business units and the time and effort required by agency accounting staff to review and reconcile differences between the respective timekeeping systems and DOP’s Human Resource Management System (HRMS), which processes the payroll.
- The two WSDOT timekeeping applications are almost 30 years old. For the most part, only mandated changes are made in order to maintain system stability. This leads to both unintended consequences when changes are made to the current applications and a proliferation of off-line systems needed to address various business requirements.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Expenditure Calculations and Assumptions**

In the 2011 legislative session, the Office of the State Treasurer provided two different COP debt service schedules. For the purpose of this decision package, the department is using the 7-year term, at 4 percent, debt service schedule for the \$10.824 million COP, which is the amount authorized in the 2011-13 biennium. Based on this schedule, the department would pay \$289,000 in FY 2014 and \$1,771,000 in FY 2015 (please see attached table).

**Delineate which costs or savings are one-time versus ongoing? What are the budget impacts in future biennia?**

All costs would be ongoing until the COP is repaid in FY 2021.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
P - Debt Services	289,000	1,771,000	2,060,000	3,547,000	3,545,000
<b>Total by Object</b>	<b>289,000</b>	<b>1,771,000</b>	<b>2,060,000</b>	<b>3,547,000</b>	<b>3,545,000</b>

**\$10,825,000**

DOT-TLL-LEGREQ-\$10.823 million---4.0%--7 yr term

November 1, 2012

SINGLE PURPOSE

## Debt Service Schedule

Fiscal Year	Principal	Coupon	Interest	Total P+I
2013	-	-	288,666.67	288,666.67
2014	1,365,000.00	4.000%	405,700.00	1,770,700.00
2015	1,425,000.00	4.000%	349,900.00	1,774,900.00
2016	1,480,000.00	4.000%	291,800.00	1,771,800.00
2017	1,540,000.00	4.000%	231,400.00	1,771,400.00
2018	1,605,000.00	4.000%	168,500.00	1,773,500.00
2019	1,670,000.00	4.000%	103,000.00	1,773,000.00
2020	1,740,000.00	4.000%	34,800.00	1,774,800.00
<b>Total</b>	<b>\$10,825,000.00</b>	<b>-</b>	<b>\$1,873,766.67</b>	<b>\$12,698,766.67</b>

### Yield Statistics

Bond Year Dollars	\$46,844.17
Average Life	4.327 Years
Average Coupon	4.0000000%
Net Interest Cost (NIC)	4.0000000%
True Interest Cost (TIC)	3.9977751%
Bond Yield for Arbitrage Purposes	3.9977751%
All Inclusive Cost (AIC)	3.9977751%

### IRS Form 8038

Net Interest Cost	4.0000000%
Weighted Average Maturity	4.327 Years

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** EA – TEF Equipment  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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- Programs:** B – Toll Operations and Maintenance  
 C – Information Technology  
 D – Facilities – Operating  
 E – Transportation Equipment Fund  
 F – Aviation  
 H – Program Delivery Mgmt. & Support  
 M – Highway Maintenance & Operations  
 Q – Traffic Operations – Operating  
 S – Transportation Management & Support  
 T – Transportation Planning, Data, & Research  
 V – Public Transportation  
 X – Ferries – Operating  
 Y – Rail – Operating  
 Z – Local Programs – Operating

**Recommendation Summary**

Funding is requested to buy down \$6 million dollars of the \$33 million dollar backlog of critical equipment needed to perform activities such as snow and ice removal, roadway maintenance, field engineering, traffic control, and highway construction. An additional \$1 million dollars is needed to purchase additional parts to repair the department’s aging fleet.

**Fiscal Detail**

<b>Detail by Fund - Appropriations</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
039-1 Aviation	1,000	1,000	2,000	2,000	2,000
09F-1 HOT Lanes	2,000	1,000	3,000	3,000	3,000
108-1 MVA-State	1,234,000	1,229,000	2,463,000	2,463,000	2,463,000
109-1 Puget Sound Ferry	19,000	18,000	37,000	37,000	37,000
218-1 Mult-modal	2,000	-	2,000	2,000	2,000
<b>Total Appropriations by Fund</b>	<b>1,258,000</b>	<b>1,249,000</b>	<b>2,507,000</b>	<b>2,507,000</b>	<b>2,507,000</b>
<b>Fund 108-1 Transfer to Fund 410</b>	<b>2,143,000</b>	<b>1,772,000</b>	<b>3,915,000</b>	<b>3,915,000</b>	<b>3,915,000</b>
<b>Total Appropriations &amp; Transfers</b>	<b>3,401,000</b>	<b>3,021,000</b>	<b>6,422,000</b>	<b>6,422,000</b>	<b>6,422,000</b>
<b>410-6 TEF (NonAppropriated)</b>	<b>2,808,000</b>	<b>4,192,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Detail by Fund and Program**

<b>Fund 039-1</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>2011-13</b>	<b>2013-15</b>	<b>2015-17</b>
Pgm. F-Aviation	1,000	1,000	2,000	2,000	2,000

<b>Fund 09F-1 HOT Lanes</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>2011-13</b>	<b>2013-15</b>	<b>2015-17</b>
Pgm. B-Toll Oper&Maint.	2,000	1,000	3,000	3,000	3,000

<b>Fund 108-1 MVA-State</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>2011-13</b>	<b>2013-15</b>	<b>2015-17</b>
Pgm. C-Information Tech.	3,000	2,000	5,000	5,000	5,000
Pgm. D-Facilities Oper.	19,000	19,000	38,000	38,000	38,000
Pgm. H-Pgm. Delivery, Mgmt.	10,000	9,000	19,000	19,000	19,000
Pgm. M-Highway Maint.	1,139,000	1,138,000	2,277,000	2,277,000	2,277,000
Pgm. Q-Traffic Operations	51,000	51,000	102,000	102,000	102,000
Pgm. S-Transp. Mgmt.	2,000	1,000	3,000	3,000	3,000
Pgm. T-Transp.Planning,Data	7,000	7,000	14,000	14,000	14,000
Pgm. Z-Local Programs	3,000	2,000	5,000	5,000	5,000
<b>Subtotal Fund 108-1</b>	<b>1,234,000</b>	<b>1,229,000</b>	<b>2,463,000</b>	<b>2,463,000</b>	<b>2,463,000</b>

<b>Fund 109-1 Puget Snd Ferry</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>2011-13</b>	<b>2013-15</b>	<b>2015-17</b>
Pgm. X-Ferries-Operating	19,000	18,000	37,000	37,000	37,000

<b>Fund 218-1 Multi-modal</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>2011-13</b>	<b>2013-15</b>	<b>2015-17</b>
Pgm. V-Public Transp.	1,000	0	1,000	1,000	1,000
Pgm. Y-Rail-Operating	1,000	0	1,000	1,000	1,000
<b>Subtotal Fund 218-1</b>	<b>2,000</b>	<b>0</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>

**Package Description**

Funding is requested to buy down \$6 million dollars of the \$33 million dollar backlog of critical equipment needed to perform activities such as snow and ice removal, roadway maintenance, field engineering, traffic control, and highway construction. An additional \$1 million dollars is needed to purchase additional parts to repair the department's aging fleet.

The total request of \$7 million is comprised of (1) \$3.9 million via a direct transfer from the Motor Vehicle Fund to Transportation Equipment Fund (TEF) to purchase new replacement equipment for programs; (2) \$2.5 million in appropriations of state funds for programs to pay for increased equipment rental costs; and (3) the assumption that capital projects will absorb \$0.6 million in increased equipment rental costs. In addition, since TEF is a non-appropriated, but budgeted fund, the \$7 million is requested in additional spending authority for TEF in Account 410-6.

TEF is responsible for the acquisition and operating costs of vehicles and equipment utilized by department programs. As a non-appropriated, proprietary, internal service fund, the TEF program charges department programs rent for the use of vehicles and equipment. To comply with federal regulations in *Circular 2, Code of Federal Regulations 255 – Cost Principles for State, Local and Indian Tribal Governments*, TEF now only includes operating costs (including depreciation) in the rent. Beginning with this fund request, TEF is now requesting funds for equipment purchases as a direct transfer of state funds from the Motor Vehicle Fund (Account 108-1) to the TEF Fund (Account 410-6) for new equipment that is not covered by depreciation expense.

Since the 2003-05 biennium, TEF has incurred significant unfunded increases and equipment costs. Funding shortfalls have resulted in the need to defer the purchase of new equipment that replaces existing equipment that has reached the end of its lifecycle. To help save money, TEF has also reviewed and extended equipment life cycles to the maximum extent practicable. The deferred equipment replacement, coupled with extended life cycles now coming due, has created an additional funding need of \$33 million dollars in 2013-15 biennium. This decision package is intended to replace the highest priority of the equipment whose replacement has been deferred, on an ongoing basis.

### **Narrative Justification and Impact**

#### **What specific performance outcomes does the agency expect?**

This package supports the department's goal to maintain highway and bridge systems to optimize their short and long term usefulness and minimize life-cycle costs.

#### **Performance Measure Detail**

N/A

#### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. This package supports the department's goal to maintain highway and bridge systems to optimize their short and long term usefulness and minimize life-cycle costs.

#### **Does this decision package provide essential support to one of the Governor's priorities? If so, please describe.**

Yes. The maintenance of the highway and bridge systems supports the Governor's priority to improve statewide mobility of people, goods, and services.

#### **Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes. The maintenance of the highway and bridge systems supports the Governor's Priorities of Government priority to improve the mobility of people, goods, and services.

**Identify important connections or impacts related to this proposal.**

The requested funding is necessary to enable department programs to construct, maintain, and operate the state highway system.

**What alternatives were explored, and why was this alternative chosen?**

Replacing all equipment scheduled for replacement would be the first choice. This alternative meets the minimum investment level necessary to continue department operations.

**What are the consequences of not funding this package?**

Without the additional revenues from rate increases and the fund transfer, TEF will need to further defer scheduled replacement of vehicles and equipment. Not funding this package would result in an increase in the backlog of equipment that has reached the end of its economic/useful life. Aging equipment will result in an equipment fleet that will not adequately meet the department's needs. This impacts reliability, and increases the potential for downtime, increases maintenance costs, and increases risk of jeopardizing critical operations for constructing, maintaining, and operating the state highway system.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Expenditure Calculations and Assumptions**

The following table shows how the anticipated \$2.5 million increase in TEF equipment rental charges are distributed by program. Capital construction programs will absorb the increased charges from TEF. These programs, Programs I—Highway Improvements, P—Highway Preservation, and W—Ferries Construction, will include the cost increases as part of the cost of capital projects.

## 2013-15 Change in TEF Equipment Rental Due to Equipment Purchases

Pgm.	Description	WSDOT Equipment Rental		Funding Needed		
		2011-13 Forecast Rent Based on February 2012 Fuel Price Forecast	2013-15 Forecast Rent Based on Equipment Placeholder	Forecast Change in Equipment Rental	Adjustment for Capital Programs Absorbing Change in equipment replacement Cost	Change in Funding Needed
B	Toll Oper. & Maint.	101,000	104,000	3,000		3,000
C	Info. Tech.	190,000	195,000	5,000		5,000
D	Facilities	1,376,000	1,414,000	38,000		38,000
F	Aviation	56,000	58,000	2,000		2,000
H	Pgm Delivery	705,000	724,000	19,000		19,000
I	Improvements	1,623,000	1,668,000	45,000	-45,000	0
M	Highway Maint & Oper.	82,673,000	84,950,000	2,277,000		2,277,000
P	Preservation	19,134,000	19,662,000	528,000	-528,000	0
Q	Traffic Operations	3,682,000	3,784,000	102,000		102,000
S	Trans. Mgmt.	112,000	115,000	3,000		3,000
T	Planning, Data, Rsrch.	515,000	529,000	14,000		14,000
V	Public Transportation	45,000	46,000	1,000		1,000
W	Ferries Construction	168,000	173,000	5,000	-5,000	0
X	Ferries Operations	1,332,000	1,369,000	37,000		37,000
Y	Rail Programs	22,000	23,000	1,000		1,000
Z	Local Programs	168,000	173,000	5,000		5,000
<b>Subtotal WSDOT</b>		111,902,000	114,987,000	3,085,000	-578,000	2,507,000
<b>Fund Transfer In</b>				3,915,000		
<b>Total Program E</b>				7,000,000		

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

Equipment replacement and operating costs are ongoing.

### Object of Expenditure Detail - Program E, Non-appropriated Funds

Object of Expenditure	FY 2014	FY 2015	2013-15	2015-17	2017-19
E - Goods and Services	500,000	500,000	1,000,000	1,000,000	1,000,000
J - Capital Outlay	2,308,000	3,692,000	6,000,000	6,000,000	6,000,000
<b>Total by Object</b>	<b>2,808,000</b>	<b>4,192,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>

### Object of Expenditure Detail - Department Appropriated Programs

Object of Expenditure	FY 2014	FY 2015	2013-15	2015-17	2017-19
E - Goods and Services	1,258,000	1,249,000	2,507,000	2,507,000	2,507,000
<b>Total by Object</b>	<b>1,258,000</b>	<b>1,249,000</b>	<b>2,507,000</b>	<b>2,507,000</b>	<b>2,507,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** FA Increase Airport Aid Grants  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Program:** F – Aviation

**Recommendation Summary**

Funding is provided to address a backlog of paving and preservation needs at the state’s 137 public-use airports, which operate as critical links to the state transportation network. The Washington State Department of Transportation (WSDOT) recommends using available funds in the Aeronautics Account to increase the Airport Aid Program by \$1.5 million in the 2013-15 biennium. This program provides state grant and technical assistance for pavement, safety, maintenance, security, and planning projects at the state’s public-use airports.

**Fiscal Detail**

<b>Detail by Fund</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
039-Aeronautics Account-State	750,000	750,000	1,500,000	-	-
<b>Total by Fund</b>	<b>750,000</b>	<b>750,000</b>	<b>1,500,000</b>	-	-
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Package Description**

In 2005, the WSDOT Aviation Division commissioned a statewide airport pavement study to assess the condition of pavements at selected airports in Washington State in order to improve safety and cost-effectiveness. The 2006 Washington Statewide Airport Pavement Management Program Report revealed a total system need of over \$194 million for the period 2006 through 2012. Over a seven year period, \$31.5 million of state and federal funds have been used for preservation projects at the public-use airports; however, a backlog of over \$150 million remains.

The request will provide state grant funding for airport improvement and preservation projects identified in the Statewide Capital Improvement Program (SCIP). The SCIP strategically targets limited state resources by creating a statewide prioritized list of aviation projects. Primary project priorities will focus on the preservation of existing pavements; runway safety area improvements; and maintenance, security, and planning projects.

Of Washington’s 137 public-use airports, 66 are designated as significant to national air transportation and are included as part of the National Plan of Integrated Airport Systems (NPIAS), which makes these airports eligible for grants under the Federal Aviation Administration’s (FAA) Airport Improvement Program (AIP). The remaining 71 non-NPIAS airports are primarily small-to-medium-sized airports that rely solely on state and local funding.

Many of the NPIAS airports have historically relied on the state's Airport Aid Grant Program to fund half of the required five percent state/local match for AIP grants. The FAA Modernization and Reform Act of 2012 increased the required state/local match to ten percent. This places a greater financial burden for airport investments on state and local governments, which could lead to delay of critical projects and the forfeit of federal funds. Additional state funding for Airport Aid grants can be used, in part, to assist local governments in meeting up to half of this higher ten percent match requirement.

## **Narrative Justification and Impact**

### **What specific performance outcomes does the agency expect?**

The backlog of preservation and pavement needs at the state's public-use airports will be lessened, which will support a safe and efficient transportation network.

### **Performance Measure Detail**

N/A

### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes, the proposal meets the department's goal to maintain, preserve, and extend the life and utility of prior investments in transportation systems and services.

### **Does this decision package provide essential support to meet one of the Governor's priorities? If so, please describe.**

Yes, this meets the Governor's priority to maintain a safe and efficient transportation system.

### **Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes, this supports the Priorities of Government goal of improving statewide mobility of people, goods, and services.

### **Identify important connections or impacts related to this proposal.**

WSDOT's aviation stakeholders recognized a gap exists between state funding for airport investments and identified needs. A recent reduction in FAA funding from a 95/5 to a 90/10 federal-to-state/local match creates a significant challenge for airport sponsors (counties, cities, port authorities, and private public use airport owners) who invest in these critical airport improvements.

The increased funding for airport investments provided by this request would impact the approval of projects at the local level, and the number of airport projects could increase, which could leverage additional federal funding.

**What alternatives were explored, and why was this alternative chosen?**

If the additional funding authority for Airport Aid grants is not approved, funding would remain in the Aeronautics Account. In that case, available resources would not be used to address the backlog of preservation needs in the state’s public-use airports.

**What are the consequences of not funding this package?**

In 2009, Washington State Aviation Planning Council reported that Washington’s aviation system currently suffers from a significant funding shortfall leading to deferred maintenance that will cost more to address over the long run. Therefore, not funding this request will cause further deterioration of the infrastructure of the state aviation system, the delay of critical projects identified by the SCIP, and may result in lost opportunities to leverage federal funds.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Provide expenditure calculations and assumptions.**

The Aeronautics Account currently has a projected balance of \$2.6 million at the end of the 2011-13 biennium. Revenue projections for the 2013-15 biennium are forecasted to remain at current levels. Investing available fund balance into airport improvement and preservation projects will address identified preservation needs and leverage federal funds. In the 2011-13 biennium, \$1.8 million was awarded for 59 pavement, safety, planning, and maintenance projects from \$6.4 million requested. Based on the unfunded 2011-13 grant submittals, an additional \$1.5 million for Airport Aid grants would support over 45 pavement, safety, planning, and maintenance projects. In addition, almost \$400,000 of those grants would have been combined with local funds to leverage an additional \$14.4 million in federal funds.

Sources for airport projects will be identified through the SCIP, airport master plans, FAA Regional Airport Plans (RAP), FAA Next Generation Air Transportation System Implementation Plan, FAA Certification and Compliance Inspections, State Aviation System Plan, and the Pavement Management Plan. The Pavement Management Plan update is currently underway and anticipated to identify significant pavement maintenance requirements and shortfalls.

**Delineate which costs or savings are one time versus ongoing. What are the budget impacts in future biennia?**

This request is for one-time funding to use available fund balance to address a backlog of preservation needs.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
N - Grants, Benefits & Svcs	750,000	750,000	1,500,000	-	-
<b>Total by Object</b>	<b>750,000</b>	<b>750,000</b>	<b>1,500,000</b>	-	-

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** MA – Highway Maintenance Backlog  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Programs:** M – Highway Maintenance and Operations

**Recommendation Summary**

Funding is requested to reduce the highway maintenance backlog. This request would allow the department to meet the funding level identified in the *LEAP Transportation Document 2012-4 Legislative Expenditure Plan for Additive Transportation Revenues*, as Developed March 8, 2012.

**Fiscal Detail**

<b>Detail by Fund</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
108-1 MVA-State	1,500,000	1,500,000	3,000,000	3,000,000	3,000,000
<b>Total by Fund</b>	1,500,000	1,500,000	3,000,000	3,000,000	3,000,000
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>

**Package Description**

The attached LEAP transportation document shows the 2012 Legislature’s intent to use new revenues to pay for highway maintenance, up to a total of \$10 million by the 2013-15 biennium. The 2012 Supplemental Budget provided \$3.5 million for highway maintenance, which was biennialized to \$7 million in the carry forward level budget. This package would increase funding by an additional \$3.0 million to reach \$10 million specified in the LEAP document.

The Highway Maintenance Program would apply this funding to the backlog of highway maintenance work with an emphasis on pavement patching and repair. This work continues to be a high priority for the agency, considering the reduced levels of funding in the Preservation Program.

**Narrative Justification and Impact**

**What specific performance outcomes does the agency expect?**

This package supports the department’s goal to maintain highway and bridge systems to optimize their short and long term usefulness and minimize life-cycle costs, measured through the Maintenance Accountability Process (MAP) activities.

**Performance Measure Detail**

MAP scores are expected to be maintained or increased.

**Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. This package supports the department's goal to maintain highway and bridge systems to optimize their short and long term usefulness and minimize life-cycle costs.

**Does this decision package provide essential support to one of the Governor's priorities? If so, please describe.**

Yes. The maintenance of the highway and bridge systems supports the Governor's priority to improve statewide mobility of people, goods, and services.

**Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes. The maintenance of the highway and bridge systems supports the Priorities of Government (POG) priority to improve the mobility of people, goods, and services.

**Identify important connections or impacts related to this proposal.**

There is wide support for this proposal as the need to catch up on the maintenance backlog is prominently addressed in the department's strategic plan, as well as the January 10, 2008, State Auditor's Report regarding highway maintenance and construction management. There are no known stakeholder concerns with this request.

**What alternatives were explored, and why was this alternative chosen?**

The department considered merging this request with Decision Package PL-1D – Reduced Highway Maintenance (which proposes to reduce Highway Maintenance by \$10 million). When considered together, the net effect of the two decision packages is a reduction to Highway Maintenance of \$7 million. The department kept this \$3 million request separate to maintain transparency.

**What are the consequences of not funding this package?**

If this package is not funded, the intent of the 2012 Legislature as shown in LEAP Transportation Document 2012-4 will not be achieved. In addition, progress on the backlog of highway maintenance work with an emphasis on pavement patching and repair could be stalled.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

Additional funding will assist the department in meeting the RCW 47.04.280 requirement to "maintain, preserve, and extend the life and utility of prior investments in transportation systems and services."

**Expenditure Calculations and Assumptions**

The \$3 million was prorated by object based on the pattern of statewide expenditures for pavement patching and repair in 2009-11.

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

All costs are ongoing.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
A - Salaries and Wages	415,000	415,000	830,000	830,000	830,000
B - Benefits	188,000	188,000	376,000	376,000	376,000
E - Goods and Services	897,000	897,000	1,794,000	1,794,000	1,794,000
<b>Total by Object</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>

<b>Salary and FTE Detail</b>						
<b>List Positions by Classification</b>	<b>FTEs</b>			<b>Dollars</b>		
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
Maintenance Tech 2	9.0	9.0	9.0	415,000	415,000	830,000
<b>Total</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>415,000</b>	<b>415,000</b>	<b>830,000</b>

<b>Out Biennia</b>				
<b>List Positions by Classification</b>	<b>FTEs</b>		<b>Dollars</b>	
	<b>2015-17</b>	<b>2017-19</b>	<b>2015-17</b>	<b>2017-19</b>
Maintenance Tech 2	9.0	9.0	830,000	830,000
<b>Total</b>	<b>9.0</b>	<b>9.0</b>	<b>830,000</b>	<b>830,000</b>

**LEAP Transportation Document 2012-4**  
**Legislative Expenditure Plan for Additive Transportation Revenues**  
**As Developed March 8, 2012**

<b>Uses of Funds (Millions of \$)</b>	<b>2011-13 Biennium</b>	<b>2013-15 Biennium</b>
Washington State Patrol	9.5	28.0
Highway Maintenance	3.5	10.0
Highway Preservation	3.5	10.0
Transit Operation Grants	9.0	26.0
Ferry Operations	7.0	35.0
Transportation Improvement Board	3.5	10.0
County Road Administration Board	3.5	10.0
2nd 144 Car Ferry (debt service)	6.5	20.5
Safe Routes to Schools	2.3	6.8
Freight Mobility State Investment Board	0.8	2.3
WSDOT Preliminary Design/Rights of Way	8.0	25.0
<b>Total</b>	<b>57.0</b>	<b>183.5</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** MB Stormwater Permit Compliance  
**Budget Period:** 2013-15  
**Budget Level:** PL - Performance Level

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**Programs:** M – Highway Maintenance & Operations  
 D – Facilities - Operating  
 D – Facilities - Capital  
 C – Information Technology

**Recommendation Summary**

Funding is requested to continue implementation of the department’s stormwater management responsibilities to meet requirements of the National Pollutant Discharge Elimination System (NPDES) municipal permit issued by the Department of Ecology (Ecology). The February 2009 permit expands coverage on an earlier permit to more than 100 urban areas across the state. It also increases the number of regulated state highway centerline miles (a measure of highway system size) by 40 percent, and establishes 396 specific compliance actions. This funding will enable compliance with key permit requirements that were deferred to the 2013-15 biennium due to budget limitations in the 2011-13 biennium.

This decision package is related to Puget Sound Action Agenda implementation.

**Fiscal Detail**

**Washington State Department of Transportation (WSDOT) Total**

Detail by Fund	FY 2014	FY 2015	2013-15	2015-17	2017-19
108-1 MVA-State	4,408,000	4,408,000	8,816,000	5,942,000	5,942,000
<b>Total by Fund</b>	<b>4,408,000</b>	<b>4,408,000</b>	<b>8,816,000</b>	<b>5,942,000</b>	<b>5,942,000</b>
Staffing FTEs	34.3	34.3	34.3	33.3	33.3

**Program M**

Detail by Fund	FY 2014	FY 2015	2013-15	2015-17	2017-19
108-1 MVA-State	2,815,000	2,815,000	5,630,000	5,630,000	5,630,000
<b>Total by Fund</b>	<b>2,815,000</b>	<b>2,815,000</b>	<b>5,630,000</b>	<b>5,630,000</b>	<b>5,630,000</b>
Staffing FTEs	32.8	32.8	32.8	32.8	32.8

**Program D - Operating**

Detail by Fund	FY 2014	FY 2015	2013-15	2015-17	2017-19
108-1 MVA-State	38,000	38,000	76,000	152,000	152,000
<b>Total by Fund</b>	<b>38,000</b>	<b>38,000</b>	<b>76,000</b>	<b>152,000</b>	<b>152,000</b>
Staffing FTEs	0.0	0.0	0.0	0.0	0.0

### Program D - Capital

Detail by Fund	FY 2014	FY 2015	2013-15	2015-17	2017-19
108-1 MVA-State	1,475,000	1,475,000	2,950,000	0	0
<b>Total by Fund</b>	<b>1,475,000</b>	<b>1,475,000</b>	<b>2,950,000</b>	<b>0</b>	<b>0</b>
Staffing FTEs	1.0	1.0	1.0	0.0	0.0

### Program C

Detail by Fund	FY 2014	FY 2015	2013-15	2015-17	2017-19
108-1 MVA-State	80,000	80,000	160,000	160,000	160,000
<b>Total by Fund</b>	<b>80,000</b>	<b>80,000</b>	<b>160,000</b>	<b>160,000</b>	<b>160,000</b>
Staffing FTEs	0.5	0.5	0.5	0.5	0.5

### Package Description

Budget limitations in the 2011-13 biennium required that some responsibilities of the department's NPDES municipal stormwater permit be deferred to the 2013-15 biennium. The department must now begin full implementation in the following areas to be in compliance with the permit issued by Ecology in February 2009:

- Stormwater improvements at maintenance facilities, park and ride lots, ferry terminals, and highway rest areas to implement pollution prevention plans.
- Annual inspection and maintenance of approximately 30,000 catch basins within the permit area that began in March 2011.
- Annual inspection and maintenance of stormwater treatment facilities, e.g., ponds and bio-swales, within the permit area that began in March 2012.
- Increased technical support from the Office of Information Technology (OIT) to maintain a permit compliance tracking and reporting system required for effective program management and annual reporting to Ecology.

By program, the following funds and staff are needed to perform the work required by the permit:

Program D – Facilities: \$2,950,000 and one full-time equivalent (FTE) from one-time capital funds, and \$76,000 in ongoing operating funds are requested to construct and maintain facilities needed to accommodate the maintenance personnel and equipment necessary to perform stormwater facility maintenance.

Program M – Highway Maintenance and Operations: \$5,630,000 and 32.8 FTEs in ongoing funding are requested for the following activities:

- Increase the inspection interval for an estimated 30,000 catch basins and maintain them as necessary to meet permit standards (\$1,088,000 and 5.7 FTEs). All catch basins must be inspected annually.
- Implement an ongoing inspection and maintenance program for 1,885 stormwater treatment facilities (\$4,542,000 and 27.1 FTEs). All facilities must be annually inspected and maintained as needed starting in March 2012.

Program C – Information Technology: \$160,000 and 0.5 FTE in ongoing funding to support activities that track compliance, allow for effective management of the program, and enable reporting to Ecology.

To implement the department's 2009 NPDES permit, a set of complex databases was developed during the 2009-11 biennium to manage data and support permit reporting requirements. For the 2011-13 biennium, ongoing funding for one FTE was requested to meet required software application maintenance and support activities for the Stormwater Information Management System (SWIM) application. Needed activities include software corrections, enhancements, and testing of application code, along with database and computing environment support necessary to keep the software application fully operational on the department's computing infrastructure. In addition, funding is needed to support the purchase of maintenance services, software and hardware upgrades, and license renewals.

Due to budget constraints in 2011-13, the original Program C request of \$370,000 and one FTE was funded at \$210,000 and 0.5 FTE. This package requests an additional 0.5 FTE and \$160,000 to provide the necessary level of ongoing database support.

### **Narrative Justification and Impact**

#### **What specific performance outcomes does the agency expect?**

This funding will support WSDOT's efforts to reduce environmental impacts due to stormwater discharged from WSDOT highways and facilities.

#### **Performance Measure Detail**

N/A

#### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. This proposal directly supports a key focus area from WSDOT's strategic plan to reinforce sustainable practices that support social needs, promote the economy, and protect the environment.

#### **Does this decision package provide essential support to one of the Governor's priorities? If so, please describe.**

Yes. This supports the Governor's priority to protect the environment and improve statewide mobility of people, goods, and services.

#### **Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes. The maintenance of the highway systems supports the Priorities of Government priorities to protect natural resources and to improve the mobility of people, goods, and services.

Furthermore, stormwater management is rated as a high priority given the efforts of the state in salmon recovery and improving the environmental health of Puget Sound – both of which are affected by stormwater. Of the total funds requested, approximately \$6.2 million (or 72 percent) will be devoted to activities or projects tied to Puget Sound.

**Identify important connections or impacts related to this proposal.**

The department, along with all cities and counties comprising urban areas of the state, fall under similar stormwater permit requirements.

Non-compliance with permits such as this one issued under the federal Clean Water Act are subject to lawsuits by third-party private individuals and non-governmental organizations. The WSDOT permit itself was appealed by an environmental advocacy group soon after it was issued. Other external stakeholders are expected to take an interest in the department’s compliance progress. The state’s failure to fund permit implementation will be scrutinized by environmental groups. In addition, failure to comply with the permit would subject the department to penalties.

In the *Performance Audit Report on WSDOT Highway Maintenance and Construction Management - January 10, 2008*, the State Auditor indicates that increased environmental regulations have contributed to the growing backlog of essential maintenance that must be completed on the highway system. The report recommends that this backlog should be identified and used as the basis of budget requests. This request implements this recommendation.

In regard to *The 2012 Action Agenda for Puget Sound*, NPDES permits are considered an “ongoing program” under sub-strategy C2 - “Use a comprehensive approach to manage urban stormwater runoff at the site and landscape scales.” The Action Agenda states “All NPDES stormwater permits for western Washington must be issued, implemented, overseen, complied with, and improved over time according to federally-established timelines.”

**What alternatives were explored, and why was this alternative chosen?**

There are no alternatives to permit compliance. The department made every effort during the permit development and a permit appeal processes to consider the overall financial implications. The department has reduced costs by deferring, when possible, certain permit requirements to future biennia, so that only those actions needed to meet permit deadlines for the 2013-15 biennium are included in this request. The department will continue to engage Ecology on permit implementation efficiencies to gain concurrence on the use of existing programs and procedures.

The department also analyzed the redistribution of existing, carry-forward resources to implement the permit. However, the department was unable to identify sufficient alternative resources that would not jeopardize other critical core functions of the department, such as project delivery, maintenance, and mobility. If existing funds were shifted from other

maintenance activities to pay for stormwater maintenance, there would be a significant reduction in the level of service provided for those other activities.

**What are the consequences of not funding this package?**

Without additional funding, the department must eliminate, defer, or reduce program functions supported by existing funds or risk being out of compliance with the permit. If existing maintenance funds have to be used for stormwater permit compliance, levels of service would decline for activities such as pavement maintenance, guardrail, landscape, litter, nuisance vegetation, guidepost, and sign maintenance. Safety, reliability, and lowest cost management would be compromised for those activities.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

This proposal has no impact to statutes, rules, or contracts.

**Expenditure Calculations and Assumptions**

All costs are based on the new stormwater permit requirements, with estimates developed by professional staff who have experience implementing the requirements.

Job classifications for new employees were based on the department's experience conducting similar work through previous permits and historical and calculated expenditures for maintenance and operations. FTE costs were calculated using the agency salary and benefits calculator tool. Other staff-related costs, e.g., travel, goods and services, were derived from standard cost tables and historical expenditure data. The department's Office of Information Technology developed the annual cost to maintain existing databases, based on a percentage of the database development cost.

This request does not include any new information technology (IT) development work or purchases. IT costs include 0.5 FTE and maintenance of software and hardware to meet current program requirements.

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

All costs are ongoing, except for \$2.95 million in the 2013-15 biennium for Program D (Facilities-Capital) to establish facilities to accommodate maintenance personnel and equipment.

The projected future biennial budget impacts are based on the current permit requirements. Future projections may change after Ecology issues a new permit to the department in February 2014.

**WSDOT Total**

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
A - Salaries and Wages	1,497,000	1,497,000	2,994,000	2,828,000	2,828,000
B - Benefits	626,000	626,000	1,252,000	1,206,000	1,206,000
E - Goods and Services	1,845,000	1,845,000	3,690,000	1,908,000	1,908,000
J - Capital Outlay	440,000	440,000	880,000		
<b>Total by Object</b>	<b>4,408,000</b>	<b>4,408,000</b>	<b>8,816,000</b>	<b>5,942,000</b>	<b>5,942,000</b>

**WSDOT Total**

<b>Salary and FTE Detail</b>						
<b>List Positions by Classification</b>	<b>FTEs</b>			<b>Dollars</b>		
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
Maintenance Technician 2	31.8	31.8	31.8	1,330,000	1,330,000	2,660,000
Maintenance Technician 3	1.0	1.0	1.0	45,000	45,000	90,000
Architect 2	1.0	1.0	1.0	83,000	83,000	166,000
Info Technology Specialist 5	0.5	0.5	0.5	39,000	39,000	78,000
<b>Total</b>	<b>34.3</b>	<b>34.3</b>	<b>34.3</b>	<b>1,497,000</b>	<b>1,497,000</b>	<b>2,994,000</b>

<b>Out Biennia</b>				
<b>List Positions by Classification</b>	<b>FTEs</b>		<b>Dollars</b>	
	<b>2015-17</b>	<b>2017-19</b>	<b>2015-17</b>	<b>2017-19</b>
Maintenance Technician 2	31.8	31.8	2,660,000	2,660,000
Maintenance Technician 3	1.0	1.0	90,000	90,000
Info Technology Specialist 5	0.5	0.5	78,000	78,000
<b>Total</b>	<b>33.3</b>	<b>33.3</b>	<b>2,828,000</b>	<b>2,828,000</b>

**Program M**

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
A - Salaries and Wages	1,375,000	1,375,000	2,750,000	2,750,000	2,750,000
B - Benefits	590,000	590,000	1,180,000	1,180,000	1,180,000
E - Goods and Services	850,000	850,000	1,700,000	1,700,000	1,700,000
<b>Total by Object</b>	<b>2,815,000</b>	<b>2,815,000</b>	<b>5,630,000</b>	<b>5,630,000</b>	<b>5,630,000</b>

<b>Salary and FTE Detail</b>						
<b>List Positions by Classification</b>	<b>FTEs</b>			<b>Dollars</b>		
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
Maintenance Technician 2	31.8	31.8	31.8	1,330,000	1,330,000	2,660,000
Maintenance Technician 3	1.0	1.0	1.0	45,000	45,000	90,000
<b>Total</b>	<b>32.8</b>	<b>32.8</b>	<b>32.8</b>	<b>1,375,000</b>	<b>1,375,000</b>	<b>2,750,000</b>

<b>Out Biennia</b>				
<b>List Positions by Classification</b>	<b>FTEs</b>		<b>Dollars</b>	
	<b>2015-17</b>	<b>2017-19</b>	<b>2015-17</b>	<b>2017-19</b>
Maintenance Technician 2	31.8	31.8	2,660,000	2,660,000
Maintenance Technician 3	1.0	1.0	90,000	90,000
<b>Total</b>	<b>32.8</b>	<b>32.8</b>	<b>2,750,000</b>	<b>2,750,000</b>

**Program D-Operating**

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
E - Goods and Services	38,000	38,000	76,000	152,000	152,000
<b>Total by Object</b>	<b>38,000</b>	<b>38,000</b>	<b>76,000</b>	<b>152,000</b>	<b>152,000</b>

**Program D-Capital**

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
A - Salaries and Wages	83,000	83,000	166,000		
B - Benefits	23,000	23,000	46,000		
E - Goods and Services	929,000	929,000	1,858,000		
J - Capital Outlay	440,000	440,000	880,000		
<b>Total by Object</b>	<b>1,475,000</b>	<b>1,475,000</b>	<b>2,950,000</b>	<b>0</b>	<b>0</b>

<b>Salary and FTE Detail</b>						
<b>List Positions by Classification</b>	<b>FTEs</b>			<b>Dollars</b>		
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
Architect 2	1.0	1.0	1.0	83,000	83,000	166,000
<b>Total</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>83,000</b>	<b>83,000</b>	<b>166,000</b>

<b>Out Biennia</b>				
<b>List Positions by Classification</b>	<b>FTEs</b>		<b>Dollars</b>	
	<b>2015-17</b>	<b>2017-19</b>	<b>2015-17</b>	<b>2017-19</b>
	0.0	0.0	0	0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

**Program C**

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
A - Salaries and Wages	39,000	39,000	78,000	78,000	78,000
B - Benefits	13,000	13,000	26,000	26,000	26,000
E - Goods and Services	28,000	28,000	56,000	56,000	56,000
<b>Total by Object</b>	<b>80,000</b>	<b>80,000</b>	<b>160,000</b>	<b>160,000</b>	<b>160,000</b>

**Program C**

<b>Salary and FTE Detail</b>						
<b>List Positions by Classification</b>	<b>FTEs</b>			<b>Dollars</b>		
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
Info Technology Specialist 5	0.5	0.5	0.5	39,000	39,000	78,000
<b>Total</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>39,000</b>	<b>39,000</b>	<b>78,000</b>

<b>Out Biennia</b>				
<b>List Positions by Classification</b>	<b>FTEs</b>		<b>Dollars</b>	
	<b>2015-17</b>	<b>2017-19</b>	<b>2015-17</b>	<b>2017-19</b>
Info Technology Specialist 5	0.5	0.5	78,000	78,000
<b>Total</b>	<b>0.5</b>	<b>0.5</b>	<b>78,000</b>	<b>78,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Code/Title:** VA Oversight of State Grant Programs  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Program:** V – Public Transportation

**Recommendation Summary**

In order to address recent audit findings regarding payroll costs charged to federal funds, Washington State Department of Transportation (WSDOT) requests state funding authority for two full-time equivalents (FTEs) in the Public Transportation Division. These positions provide grant administration and technical assistance for the state’s Rural Mobility Grant and Regional Mobility Grant programs. Currently, the staff who administer these state programs are supported by non-appropriated federal fund sources.

The total FTE staff in WSDOT’s Public Transportation Division will not increase. Offsetting reductions of staff charges will be made in the division’s non-appropriated federal funds. As a result, the federal funds that currently support these staff charges will be used for grants to local transit agencies and non-profit providers.

**Fiscal Detail**

<b>Detail by Fund</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
218-1 Multimodal-State	227,000	227,000	454,000	454,000	454,000
<b>Total by Fund</b>	227,000	227,000	454,000	454,000	454,000
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

**Package Description**

Starting with a 2009 audit, State Auditor’s Office (SAO) reported WSDOT did not support payroll costs charged to Federal Transit Administration (FTA) in accordance with federal regulations. SAO determined that WSDOT charges were based on budgeted percentages and not on actual work performed, which was split between state and federal grants. In 2010 and 2011, SAO issued the same finding because WSDOT had not corrected the situation. As the department works with FTA and SAO to resolve this problem, the Public Transportation Division has continued to charge the FTA for the cost of administering state grant programs. While final agreement has not been reached, FTA has made it is clear that it expects the state to pay a proportionate share of grant administration costs.

State funding and budget authorization for two FTEs will allow the Public Transportation Division staff who administer the state grant programs (Rural Mobility and Regional Mobility Grant programs) to charge their work to state funds instead of federal funds. The staff perform work in four main areas:

1. **Administer Competitive Grant Process** – Administer a competitive process from solicitation through project review, technical assistance, and grant award.
2. **Oversee Project Implementation and Manage Contracts** – Process invoices, provide technical assistance, conduct site visits, and disperse funds for 63 contracts during the 2011-13 biennium.
3. **Collect and Publish Reports** – These programs have substantial reporting requirements. Data must be collected, analyzed, and compiled into reports. Over the past few years the requirements have increased, consuming additional WSDOT resources.
4. **Provide Technical Assistance** – Staff share expertise in special needs and rural transportation with transportation providers, grantees, planners, and riders.
  - Rural Mobility program recipients (small transits, non-profits, and tribes) don't have the expertise of larger systems and rely on WSDOT for guidance.

With more funding available for state grant administration, the staff work charged to federal grant programs will decrease, leaving more federal funding available to support higher levels of federal grant funding to local transit agencies and non-profit providers.

## **Narrative Justification and Impact Statement**

### **What specific performance outcomes does the agency expect?**

State funding to administer state grant programs will allow the department to address audit findings regarding federal regulations on payroll charges and avoid future audit findings from SAO.

### **Performance Measure Detail**

N/A

### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. This request meets the department's goal to move people, goods, and services reliably, safely, and efficiently by operating transportation systems efficiently and managing demand effectively to relieve congestion. Specifically, this package addresses the strategic goal of mobility and congestion relief by supporting a statewide network of multi-modal transportation services linking urban and rural communities and serving people with special needs related to age, disability, or income.

### **Does this decision package provide essential support to one of the Governor's priorities? If so, please describe.**

Yes. Funding will support the department's implementation of grants that address transportation demands and improve statewide mobility of people, goods and services. This supports the Governor's priority to have a seamless transportation system which supports the prosperity of our state and also addresses the safety of our travelers.

**Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes. State funding is necessary to start complying with federal regulations.

**What are the other important connections or impacts related to this proposal?**

This effort will allow the department to start complying with federal regulations and State Auditor's Office corrective actions.

**What alternatives were explored by the agency, and why was this alternative chosen?**

WSDOT took some actions in order to address both the SAO findings and budget reductions. These actions provided some short term solutions, and can potentially be part of longer term solutions. However, they will not be enough to fully address the audit issues faced by the Public Transportation Division.

1. **Made Grants Federal** – For the 2011-13 biennium, WSDOT awarded federal funds to every successful Consolidated Grant applicant if possible (mixing state and federal funds). This was done so administration costs for these grants could be charged to federal funds. However, FTA officials later told WSDOT they expect the administration costs to be shared proportionally between FTA and WSDOT.
2. **Work with FTA** – WSDOT continues to work with FTA to document the appropriate amount to charge the federal and state grant programs for administrative support. FTA has expressed to WSDOT that it expects the state to cover its share of administrative costs of the grant programs.
3. **Other Options within the Department** – WSDOT reviewed options to move or consolidate Public Transportation's grant administration with other programs in the department, with specific focus on Program Z – Highways and Local Programs. Public Transportation grant recipients are transit agencies and non-profit organizations that provide transportation services, such as Grant Transit Authority, Intercity Transit, Senior Services of King County, and Northshore Senior Center. With this variety of providers and the focus on operations of a transit service, many of the Public Transportation grants require a greater level of technical assistance. Because the purpose of grants and the grant recipients are different than those administered by other programs, options to move the grant administration to other programs did not provide cost savings or efficiencies.

**What are the consequences of not funding this package?**

If funding and the two FTEs are not provided, time charging for the administration of state grants to federal funding will continue. This will generate more findings of non-compliance from SAO, and FTA may ask WSDOT to reimburse the federal government for the staff charges in question.

**What is the relationship, if any, to the capital budget?**

N/A

**What changes would be required to existing statutes, rules, or contracts, in order to implement the proposed change?**

None.

**Expenditure Calculations and Assumptions**

Two Transportation Planning Specialist 4 positions will be transferred from federal non-appropriated funds to state appropriated funds. Calculations for costs of goods and services, travel, and capital outlays are based on WSDOT’s standard costs but include supplies and materials cost only.

The reduction of administrative staff charges to the federal non-appropriated funds will allow the department to award more federal grants to local governments and non-profit providers such as Grant Transit Authority, Intercity Transit, Senior Services of King County, and Northshore Senior Center.

**Which costs and functions are one-time versus ongoing? What are the budget impacts in future biennia?**

The costs are ongoing.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
A - Salaries and Wages	154,000	154,000	308,000	308,000	308,000
B - Benefits	49,000	49,000	98,000	98,000	98,000
E - Goods and Services	14,000	14,000	28,000	28,000	28,000
G - Travel	10,000	10,000	20,000	20,000	20,000
<b>Total by Object</b>	<b>227,000</b>	<b>227,000</b>	<b>454,000</b>	<b>454,000</b>	<b>454,000</b>

Note: The same amount will be reduced from the Non-Appropriated-Miscellaneous Transportation Programs Account.

<b>Salary and FTE Detail</b>						
<b>List Positions by Classification</b>	<b>FTEs</b>			<b>Dollars</b>		
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
Transportation Planning Specialist 4	2.0	2.0	2.0	154,000	154,000	308,000
<b>Total</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>154,000</b>	<b>154,000</b>	<b>308,000</b>

<b>Out Biennia</b>				
<b>List Positions by Classification</b>	<b>FTEs</b>		<b>Dollars</b>	
	<b>2015-17</b>	<b>2017-19</b>	<b>2015-17</b>	<b>2017-19</b>
Transportation Planning Specialist 4	2.0	2.0	308,000	308,000
<b>Total</b>	<b>2.0</b>	<b>2.0</b>	<b>308,000</b>	<b>308,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** XB New Vessels Operation Costs  
**Budget Period:** 2013-15  
**Budget Level:** PL - Performance Level

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**Program:** X – Washington State Ferries Maintenance and Operations

**Recommendation Summary**

Funding is provided for operation and maintenance of two new Olympic class (144-car capacity) vessels, the first to be delivered in January 2014, and the second to be delivered in November 2014. These new vessels will increase service capacity across the ferry system and will allow for the retirement of two 1954-era vessels.

**Fiscal Detail**

<b>Detail by Fund</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
109-1 PSFOA-State	1,728,000	3,389,000	5,117,000	5,573,000	5,573,000
<b>Total by Fund</b>	<b>1,728,000</b>	<b>3,389,000</b>	<b>5,117,000</b>	<b>5,573,000</b>	<b>5,573,000</b>
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>10.8</b>	<b>13.8</b>	<b>12.3</b>	<b>3.8</b>	<b>3.8</b>

**Package Description**

This package requests funding to operate and maintain two new Olympic class (144-car capacity) vessels constructed with funds from the Capital Program (Program W). Funding was authorized by the Legislature to retire two 1954-era Evergreen State class (87-car capacity) vessels, and to increase ridership capacity on the Seattle-Bremerton, Fauntleroy-Southworth-Vashon, and Mukilteo-Clinton routes.

The first vessel, scheduled for delivery in January 2014, is assumed to begin service in late March 2014 on the Seattle-Bremerton route. This vessel will replace an Issaquah class (124-car capacity) vessel which in turn will retire an Evergreen State class vessel on the Fauntleroy-Southworth-Vashon route.

The second vessel, scheduled for delivery in November 2014, is assumed to begin service in January 2015 on the Mukilteo-Clinton route. This vessel will replace an Issaquah class vessel which in turn will replace another Issaquah class vessel (the MV Sealth with a 90-car capacity). The MV Sealth will then replace an Evergreen State class vessel on the San Juan inter-island route to allow another Evergreen State class vessel to be retired.

The addition of the new vessels and the retirement of Evergreen State class ferries will result in 114 additional vehicle spaces in the fleet.

Below is a summary table of changes to the state's ferry fleet.

Route	Current		New		Capacity Increase
	Vessel Class	Capacity	Vessel Class	Capacity	
<b>Vessel 1</b>					
Bremerton (Fall/Winter/Spring) Anacortes (Summer)	Issaquah	124-car	1st Olympic Class	144-car	20-car
Fauntleroy-Vashon-Southworth	Evergreen State	87-car	Issaquah	124-car	37-car
Retired to "Cold Steel" Status			Evergreen State	87-car	
<b>Vessel 2</b>					
Mukilteo	Issaquah	124-car	2nd Olympic Class	144-car	20-car
Maintenance Spare	Issaquah	90-car	Issaquah	124-car	34-car
Inter-Island	Evergreen State	87-car	Issaquah	90-car	3-car
Retired to "Cold Steel" Status			Evergreen State	87-car	
<b>Net Capacity Increase in Ferry Fleet</b>					<b>114-car</b>

### Narrative Justification and Impact

#### What specific performance outcomes does the agency expect?

Funding to support the transition to the new vessels will result in 114 additional vehicle spaces in the fleet.

#### Performance Measure Detail

N/A

#### Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.

Yes. This package supports the department's goal to operate an efficient transportation system.

#### Does this decision package provide essential support to one of the Governor's priorities? If so, please describe.

Yes. This decision package supports the Governor's priority to have a strong, efficient, and seamless transportation system that supports economic vitality and the mobility of people, goods, and services.

#### Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.

Yes. Ferry operations make a key contribution to Priorities of Government goals to improve economic vitality and the mobility of people, goods, and services.

**Identify important connections or impacts related to this proposal.**

This package requests funding to operate and maintain two new 144-car vessels constructed with Capital Program (Program W) funds. Funding will allow for improved capacity on several routes.

**What alternatives were explored, and why was this alternative chosen?**

The construction of two new Olympic class (144-car capacity) vessels was approved by the Legislature. The operation of these ferries allows Washington State Ferries (WSF) to provide increased capacity on several routes and to retire two Evergreen State class vessels which are nearing the end of their 60-year life. Any alternative would result in less carrying capacity and in vessels operating for additional years beyond the recommended retirement age.

**What are the consequences of not funding this package?**

The impact of not funding this request would be a potential decrease in service as the aging vessels that the new Olympic class fleet will replace become unreliable. If keeping the aging Evergreen State class vessels operating is not possible, there would be a net reduction of two vessels in the fleet.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

No impact.

**Expenditure Calculations and Assumptions**

The summary table above provides context and overview of the changes to the ferry fleet. Below is the breakdown of costs for operating and maintaining the two new vessels, as well as changes to other vessels in the fleet.

## Operating and Maintenance Breakdown of Costs

Cost Categories	FY 2014	FY 2015	2013-15	FY 2016	FY 2017	2015-17
<b>Engine Labor Costs (See Note 1)</b>						
1st New Olympic Class Vessel	804,000	1,621,000	2,425,000	1,621,000	1,621,000	3,241,000
2nd New Olympic Class Vessel	-	1,074,000	1,074,000	1,621,000	1,621,000	3,241,000
E. State Class Vessel	(119,000)	(1,445,000)	(1,564,000)	(1,445,000)	(1,445,000)	(2,890,000)
E. State Class Vessel	-	(360,000)	(360,000)	(1,445,000)	(1,445,000)	(2,890,000)
<b>SUBTOTAL ENGINE LABOR</b>	<b>685,000</b>	<b>890,000</b>	<b>1,575,000</b>	<b>351,000</b>	<b>351,000</b>	<b>703,000</b>
<b>Deck Labor Costs (See Note 1)</b>						
1st New Olympic Class Vessel	737,000	2,718,000	3,455,000	2,718,000	2,718,000	5,436,000
2nd New Olympic Class Vessel	-	1,198,000	1,198,000	2,416,000	2,416,000	4,832,000
Issaquah Class Vessel	(74,000)	(1,352,000)	(1,426,000)	(2,449,000)	(2,449,000)	(4,898,000)
E. State Class Vessel	(590,000)	(3,125,000)	(3,714,000)	(4,211,000)	(4,211,000)	(8,422,000)
MV Sealath	-	853,000	853,000	1,829,000	1,829,000	3,658,000
One-Time Sea Trials/Training - New Vessels	265,000	265,000	529,000	-	-	-
<b>SUBTOTAL DECK LABOR</b>	<b>338,000</b>	<b>556,000</b>	<b>894,000</b>	<b>302,000</b>	<b>302,000</b>	<b>605,000</b>
<b>TOTAL LABOR</b>	<b>1,023,000</b>	<b>1,446,000</b>	<b>2,469,000</b>	<b>653,000</b>	<b>653,000</b>	<b>1,308,000</b>
<b>Non-Labor Costs (See Note 2)</b>						
One-Time Non-Labor	300,000	300,000	600,000	-	-	-
Ongoing Maintenance Needs		200,000	200,000	200,000	200,000	400,000
<b>TOTAL NON-LABOR</b>	<b>300,000</b>	<b>500,000</b>	<b>800,000</b>	<b>200,000</b>	<b>200,000</b>	<b>400,000</b>
<b>TOTAL FUEL (See Note 3)</b>	<b>405,000</b>	<b>1,443,000</b>	<b>1,848,000</b>	<b>1,932,500</b>	<b>1,932,500</b>	<b>3,865,000</b>
<b>GRAND TOTAL</b>	<b>1,728,000</b>	<b>3,389,000</b>	<b>5,117,000</b>	<b>2,785,500</b>	<b>2,785,500</b>	<b>5,573,000</b>

As shown, the total labor cost in the 2013-15 biennium is \$2,469,000. This amount assumes each new vessel will be crewed as follows:

- one Master
- one Mate
- one Able Seaman-Quartermaster
- one Able Seaman-Bos'n
- two Able Seamen
- three Ordinary Seamen
- one Chief Engineer
- one Assistant Engineer
- one Oiler

The crewing level lies between the crewing levels specified for a Super class vessel and an Issaquah class vessel due to maximum passenger capacity and configuration of the Olympic class vessels. However, until such time as the crewing level is approved by the United States Coast Guard (USCG), the crewing levels and associated labor costs are subject to change. After the first new vessel is delivered, the USCG will establish an official minimum crewing level.

Note 1 - Engine labor and deck labor cost calculations are based on the number of days as seen in the following detail:

**Engine Labor Cost Calculation Detail**

	Cost per Day	FY 2014		FY 2015		2013-15		2015-17	
		Number of Days	Total Cost	Number of Days	Total Cost	Number of Days	Total Cost	Number of Days	Total Cost
1st New Olympic Class Vessel	\$4,439.85	181	\$804,000	365	\$1,621,000	546	\$2,425,000	730	\$3,241,000
2nd New Olympic Class Vessel	4,439.85	-	-	242	1,074,000	242	1,074,000	730	3,241,000
1st E. State Class Vessel Retired	3,958.60	(30)	(119,000)	(365)	(1,445,000)	(395)	(1,564,000)	(730)	(2,890,000)
2nd E. State Class Vessel Retired	3,958.60	-	-	(91)	(360,000)	(91)	(360,000)	(730)	(2,890,000)
<b>Total</b>		<b>151</b>	<b>\$685,000</b>	<b>151</b>	<b>\$890,000</b>	<b>302</b>	<b>\$1,575,000</b>	<b>-</b>	<b>\$703,000</b>

**Deck Labor Cost Calculation Detail**

	Cost per Hour	FY 2014		FY 2015		2013-15		2015-17	
		Service Hours	Total Cost						
1st New Olympic Class Vessel	\$413.67	1,782	\$737,000	6,570	\$2,718,000	8,352	\$3,455,000	13,140	\$5,436,000
2nd New Olympic Class Vessel	413.67	-	-	2,896	1,198,000	2,896	1,198,000	11,680	4,832,000
Issaquah Class Vessel	372.79	(198)	(74,000)	(3,626)	(1,352,000)	(3,824)	(1,426,000)	(13,140)	(4,898,000)
E. State Class Vessels Retired	372.79	(1,584)	(590,000)	(8,384)	(3,125,000)	(9,968)	(3,716,000)	(22,592)	(8,422,000)
MV Sealth	335.23	-	-	2,544	853,000	2,544	853,000	10,912	3,658,000
Sea Trials and Training	413.67	640	265,000	640	265,000	1,280	529,000	-	-
<b>Total</b>		<b>640</b>	<b>\$338,000</b>	<b>640</b>	<b>\$556,000</b>	<b>1,280</b>	<b>\$894,000</b>	<b>-</b>	<b>\$605,000</b>

Note 2 - Non-labor costs are based on the following information: One-time non-labor costs of \$300,000 per year are for inventory adjustments and other costs associated with decommissioning vessels and adding new vessels to the fleet. The ongoing non-labor costs of \$200,000 per year, starting in Fiscal Year (FY) 2015, reflect higher maintenance costs for the new vessels. The new vessels are larger and more complex than those being replaced and will require an increase in the overall pool of maintenance dollars.

Note 3: Fuel costs of \$1,848,000 for the 2013-15 biennium assume that the new vessels will consume ten percent more fuel than an Issaquah class (124-car capacity) vessel on the same route. Fuel costs are estimated to be \$3.58 per gallon for FY 2014 and \$3.69 per gallon for FY 2015, based on the June 2012 fuel price forecast for B5 biodiesel. These prices assume that beginning in FY 2014, ferry fuel purchases are sales tax exempt per Chapter 16, Laws of 2011 (2ESSB 5742).

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

All cost categories shown in the Operating and Maintenance table are ongoing, with the exception of the “One-Time Sea Trials/Training – New Vessels” costs of \$529,000 in labor and the “One-Time Non-Labor” costs of \$600,000 for inventory adjustments and other costs associated with decommissioning vessels and adding new vessels to the fleet.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
A - Salaries and Wages	737,000	1,041,000	1,778,000	942,000	942,000
B - Benefits	286,000	405,000	691,000	366,000	366,000
E - Goods and Services	705,000	1,943,000	2,648,000	4,265,000	4,265,000
<b>Total by Object</b>	<b>1,728,000</b>	<b>3,389,000</b>	<b>5,117,000</b>	<b>5,573,000</b>	<b>5,573,000</b>

<b>Salary and FTE Detail</b>						
<b>List Positions by Classification</b>	<b>FTEs</b>			<b>Dollars</b>		
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
Estimated Fleet Personnel	10.8	13.8	12.3	737,000	1,041,000	1,778,000
<b>Total</b>	<b>10.8</b>	<b>13.8</b>	<b>12.3</b>	<b>737,000</b>	<b>1,041,000</b>	<b>1,778,000</b>

<b>Out Biennia</b>				
<b>List Positions by Classification</b>	<b>FTEs</b>		<b>Dollars</b>	
	<b>2015-17</b>	<b>2017-19</b>	<b>2015-17</b>	<b>2017-19</b>
Estimated Fleet Personnel	3.8	3.8	942,000	942,000
<b>Total</b>	<b>3.8</b>	<b>3.8</b>	<b>942,000</b>	<b>942,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** XC Reservation, Dispatch and Fire Gear  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Program:** X – Washington State Ferries Maintenance and Operations

**Recommendation Summary**

Funding and full-time equivalent (FTE) authority are requested for: (1) 2.6 FTEs to support the implementation of the new ferry reservation system on the Port Townsend-Coupeville ferry route; (2) 1.0 FTE for ferry dispatch; and (3) Funding to replace fire gear (protective coats and pants) used on ferry vessels.

**Fiscal Detail**

Detail by Fund	FY 2014	FY 2015	2013-15	2015-17	2017-19
109-1 PSFOA-State	240,000	240,000	480,000	480,000	480,000
<b>Total by Fund</b>	<b>240,000</b>	<b>240,000</b>	<b>480,000</b>	<b>480,000</b>	<b>480,000</b>
	FY 2014	FY 2015	2013-15	2015-17	2017-19
<b>Staffing FTEs</b>	<b>3.6</b>	<b>3.6</b>	<b>3.6</b>	<b>3.6</b>	<b>3.6</b>

**Package Description**

Funding and FTE authority are requested for:

- Ferry Terminal Labor and Customer Service (Reservations):** A new ferry reservation system was put in place in June 2012 to allow customers to make reservations for sailings on the Port Townsend-Coupeville and the San Juan Island (including Sidney, B.C.) ferry routes. Funding in the amount of \$173,000 per year and 2.6 FTEs (per the vehicle reservation system pre-design study) are being requested. The 2.6 FTE breakdown is as follows:
  - 1.9 FTE for seasonal staff to assist customers at ticket booths and direct customers with reservations to queue in reservations holding areas.
  - 0.7 FTE for year-round customer information agent to support the reservation system to accommodate increased customer call volumes, Internet, e-mail, and reservation web page inquiries.
- Ferry Dispatcher:** 1.0 FTE authority for operations management and support of the ferries operating program. Funding will be re-allocated from ferries administrative budgets. Due to an increase in the number of work rules that govern how and when employees are allowed to work, an additional dispatcher is needed to ensure vessel employees are properly assigned to ferries. The dispatcher would also assist with:
  - Providing relief for other dispatcher positions to accommodate leave.
  - Organizing, sorting, and preparing vessel crew timesheets for payroll audits.
  - Researching information to support public disclosure requests, payroll, and employee discipline.

- 3. Fire Gear (Bunker Gear):** Special protective covering (coats and pants) for Washington State Ferries (WSF) employees working in engine rooms and on vessel decks is required by the National Fire Protection Association (NFPA) in the event of a fire outbreak. NFPA has indicated that fire gear materials may degrade over time and should be replaced at least every ten years. (The life of the gear may vary depending on the use of the gear for such things as fire drills and other safety and security exercises.) Funding would allow for the oldest of the bunker gear (about 10 percent) to be replaced annually, at a cost of approximately \$67,000 per year.

Although new gear is purchased at the time a new vessel comes on line, the majority of WSF's fire gear is eight or more years old. By replacing one-tenth of the gear annually, WSF will meet the updated "ten year useful life requirement."

### **Narrative Justification and Impact**

#### **What specific performance outcomes does the agency expect?**

Reservation System: Customers who use the Port Townsend-Coupeville route would be assisted by the additional staff to designated holding areas in accordance with their reservation. Customers without reservations would receive timely and accurate information regarding sailings based on the number of unreserved spots.

Dispatcher: Employees will be dispatched if last-minute complications occur when special crewing needs arise. This will allow the department to fill all the required positions to sail per United States Coast Guard (USCG) regulations.

Fire Gear: Bunker gear is directly linked to employee safety in case of fire.

#### **Performance Measure Detail**

N/A

#### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. This package supports the department's goal to operate an efficient transportation system.

#### **Does this decision package provide essential support to one of the Governor's priorities? If so, please describe.**

N/A

#### **Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

N/A

#### **Identify important connections or impacts related to this proposal.**

Impacts to ferry services will limit transportation mobility and connectivity for residents, visitors, and businesses in affected communities.

Operations management is affected by the ability to dispatch employees, especially if last-minute complications occur when special crewing needs arise. Ferry customers could also be impacted if dispatchers are unable to fill all the required positions to sail per USCG regulations.

Manufacturers of fire gear will not work on or repair any gear that is not in compliance with NFPA standards.

**What alternatives were explored, and why was this alternative chosen?**

No alternatives were considered for assisting customers as a result of the new reservation system, or for replacing fire gear. The department considered not requesting FTE authority for the dispatch position, but to do so would have meant possibly not meeting USCG requirements.

**What are the consequences of not funding this package?**

Reservations: Not funding the proposal could have an adverse impact to the ferry reservation program, which could result in:

- Sailing delays
- Customers missing sailings
- Impacts to on-time performance on the Port Townsend-Coupeville ferry route
- Increased number of customer complaints and complaints from other stakeholders

Dispatcher: N/A. Funding is not requested.

Fire Gear: Without additional funding, it will be more difficult to purchase other equipment or make other purchases for the engine room or for the Eagle Harbor maintenance facility. A lack of available equipment/materials could result in delays. It is also possible that bunker gear at the end of its useful life would not be replaced, jeopardizing worker safety.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

N/A

**Expenditure Calculations and Assumptions**

Reservations: As shown in the following table, additional terminal labor costs are based on additional ticket seller and traffic attendant labor hours at terminals on the Port Townsend-Coupeville ferry route in the summer (14 weeks), and during the fall and spring shoulder seasons (7.3 weeks).

Item	FTEs	# of Hours	Cost per Hour	Annual Cost
Terminal Ticket Seller Cost (Summer)	0.6	1,120	38.39	43,000
Terminal Traffic Attendant Cost (Summer)	0.6	1,120	34.00	38,000
Terminal Ticket Seller Cost (Shoulders)	0.3	584	38.39	22,000
Terminal Traffic Attendant Cost (Shoulders)	0.3	584	34.00	20,000
Customer Information (Year-Round)	0.7	1,330	37.62	50,000
<b>Total Annual Cost</b>	2.6			173,000

Dispatcher: N/A. Funding is not requested.

Fire Gear: The total cost to replace all fire gear is \$670,000 per Washington state contract pricing. This proposal spreads the cost evenly over a ten-year replacement cycle at a cost of \$67,000 per year. The total cost to replace 46 coats is \$39,000 per year (44 coats at \$840 each, plus two at \$1,100 each). The total cost to replace 44 pairs of pants is \$28,000 per year (41 pants at \$616 each, plus three pants at \$800 each).

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

All costs are ongoing.

Note: Funding for reservations is for the initial implementation of a new reservation system and is limited to the Port Townsend-Coupeville and San Juan Island ferry routes. Once the new reservation system is established for the Port Townsend-Coupeville ferry route, the system will be expanded to additional routes. Additional funding will be needed to support expansion of the reservation system in the future.

<b>Object of Expenditure Detail</b>					
Object of Expenditure	FY 2014	FY 2015	2013-15	2015-17	2017-19
A - Salaries and Wages	138,000	138,000	276,000	276,000	276,000
B - Benefits	35,000	35,000	70,000	70,000	70,000
E - Goods and Services	67,000	67,000	134,000	134,000	134,000
<b>Total by Object</b>	<b>240,000</b>	<b>240,000</b>	<b>480,000</b>	<b>480,000</b>	<b>480,000</b>

<b>Salary and FTE Detail</b>						
<b>List Positions by Classification</b>	<b>FTEs</b>			<b>Dollars</b>		
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
Terminal Staff	1.9	1.9	1.9	98,000	98,000	196,000
Dispatcher	1.0	1.0	1.0	-	-	-
Customer Information Agent	0.7	0.7	0.7	40,000	40,000	80,000
<b>Total</b>	<b>3.6</b>	<b>3.6</b>	<b>3.6</b>	<b>138,000</b>	<b>138,000</b>	<b>276,000</b>

<b>Out Biennia</b>				
<b>List Positions by Classification</b>	<b>FTEs</b>		<b>Dollars</b>	
	<b>2015-17</b>	<b>2017-19</b>	<b>2015-17</b>	<b>2017-19</b>
Terminal Staff	1.9	1.9	196,000	196,000
Dispatcher	1.0	1.0	-	-
Customer Information Agent	0.7	0.7	80,000	80,000
<b>Total</b>	<b>3.6</b>	<b>3.6</b>	<b>276,000</b>	<b>276,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** XE Terminal Agent and Other Adjustments  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Program:** X – Washington State Ferries Maintenance and Operations

**Recommendation Summary**

Expenditure authority is requested for the cost of annual adjustments to terminal agent contracts and requirements around terminal agent coverage; a change in concession credits for galley vendors; and maintaining a visual paging system on the Seattle-Bainbridge ferry route. Concession and visual paging expenses will be offset by revenues generated for these activities. Terminal agent costs will not be offset by revenues.

**Fiscal Detail**

Revenues	FY 2014	FY 2015	2013-15	2015-17	2017-19
109-1 PSFOA-State	225,000	225,000	450,000	450,000	450,000
<b>Total by Fund</b>	<b>225,000</b>	<b>225,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>

Expenditures	FY 2014	FY 2015	2013-15	2015-17	2017-19
109-1 PSFOA-State	280,000	309,000	589,000	589,000	589,000
<b>Total by Fund</b>	<b>280,000</b>	<b>309,000</b>	<b>589,000</b>	<b>589,000</b>	<b>589,000</b>
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Package Description**

Expenditure authority is requested for the cost of annual adjustments to terminal agent contracts and requirements around terminal agent coverage; a change in concession credits for galley vendors, including contractor costs for distributing ferry schedules; and maintaining a visual paging system on the Seattle-Bainbridge ferry route per the King County Superior Court Agreed Order No. 08-2-01670-8 (Agreed Order), issued in 2009. Concession and visual paging expenses will be offset by revenues generated for these activities, while terminal agent costs will not be offset.

Agent Contracts/Coverage

Terminal agent contracts include annual Consumer Price Index (CPI) increases for terminal agents working at Lopez, Shaw, Orcas, San Juan Island, and Sidney, B.C., totaling \$139,000 for the 2013-15 biennium. Island ferry service schedules, with the exception of Friday Harbor, have also resulted in an increase of the number of terminal agent hours to address ridership demand during the late evenings in the summer. These contracts were updated several years ago to reflect summer operating hour increases. The component for San Juan Island is estimated to cost approximately \$46,000 in 2013-15.

### Concession Credits for Galley Vendors and Ferry Schedule Distributor

Expenditure authority estimated at \$150,000 per biennium is needed to reflect a change in how concession credits are applied. In accordance with Generally Accepted Accounting Principles (GAAP), galley concessionaires must purchase galley equipment and services from Washington State Ferries (WSF) instead of purchasing through a third party and then having the purchase amount netted against revenues owed to WSF. Based on the average annual concession credits from Fiscal Year (FY) 2007 – 2012, the galley equipment purchases are estimated to be \$140,000 and Terminal shore-side advertising and concession purchases are estimated to be \$10,000 per biennium. Because the cost increase will be offset by revenues, the net effect on the Puget Sound Ferries Operating Account is zero.

Also, WSF will purchase services estimated at \$150,000 per biennium directly from a media consulting firm to distribute ferry schedules. Previously, WSF contracted with a media consulting firm that discounted the charge by WSF's share of the revenue for advertising. In accordance with GAAP, WSF will pay the entire cost of distributing ferry schedules and receive WSF's share of advertising revenue separately. Because the cost increase will be offset by revenues, the net effect on the Puget Sound Ferries Operating Account is zero. The increases in advertising revenue will be reflected in "miscellaneous revenue" within WSF's revenue forecast.

### Visual Paging System

Costs are estimated to be \$150,000 per biennium to maintain the visual paging system. A visual paging system displays messages on video screens so hearing-impaired passengers have access to information simultaneously with other ferry passengers. Appropriation authority is requested for maintaining the visual paging system. As way of background, the 2009 Agreed Order was issued as a result of a lawsuit filed by a rider on the Seattle-Bainbridge ferry route. To date, the visual paging system has been installed at the Seattle (Colman Dock) ferry terminal, the Bainbridge Island ferry terminal, and on two additional vessels (MV Wenatchee and MV Tacoma) that serve these routes. The system is also scheduled to be installed on four additional vessels (MV Spokane, MV Walla Walla, MV Puyallup, and MV Kaleetan) in Fiscal Year (FY) 2013. Under this proposal, the visual paging system is expected to generate advertising revenue from the sale of advertising that will appear on the monitors to offset costs. According to WSF's advertising contractor, the projected 2013-15 biennium advertising revenue will be \$150,000.

## **Narrative Justification and Impact**

### **What specific performance outcomes does the agency expect?**

Funding for contracted terminal agents will result in contractual compliance. The change for payments for galley equipment and distribution of ferry schedules will result in compliance with GAAP and rules established by the Governmental Accounting Standards Board (GASB). Maintaining the visual paging system complies with the 2009 Agreed Order.

## Performance Measure Detail

N/A

### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. This package supports the department's goal to operate an efficient transportation system.

### **Does this decision package provide essential support to one of the Governor's priorities? If so, please describe.**

Yes. This decision package supports the Governor's priority to have a strong, efficient, and seamless transportation system that supports economic vitality and the mobility of people, goods, and services.

### **Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes. Ferry operations make a key contribution to Priorities of Government goals to improve economic vitality and the mobility of people, goods, and services.

### **Identify important connections or impacts related to this proposal.**

Funding for contracted terminal agents will allow WSF to meet contractual requirements.

The change for payments for galley equipment and distribution of ferry schedules is consistent with GAAP and rules established by GASB.

Maintaining the visual paging system complies with the 2009 Agreed Order.

### **What alternatives were explored, and why was this alternative chosen?**

N/A

### **What are the consequences of not funding this package?**

Possible breach of terminal agent contract, and non-compliance with GAAP and the 2009 Agreed Order. If funding is denied, vessel galleys could close due to equipment failure. If galleys are shut down, revenues of up to \$900,000 per year could be eliminated.

### **What is the relationship, if any, to the state capital budget?**

N/A

### **Determine which statutes, rules, or contracts might be impacted.**

Terminal agent contract and the 2009 Agreed Order.

## Expenditure Calculations and Assumptions

### Terminal Agents

- \$1,660,000 FY 2013 Base Budget Amount x 1.9% CPI increase x 2 years = \$64,000

- \$1,692,000 FY 2014 Base Budget Amount x 1.7% CPI increase x 1 year = \$29,000
- Contracted Agent Hours: 4 hrs x 6 days/wk x 38 weeks/year x \$25/hr x 2 years = \$46,000  
Total: \$55,000 (FY 2014) and \$84,000 (FY 2015) = \$139,000 (2013-15 Biennium)

Galley Vendors

- Galley Equipment: \$70,000 per year based on FY 2007 - FY 2012 average
- Terminal Advertising and Concessions: \$5,000 per year based on FY 2007- FY 2012 average
- Ferry Schedule Distribution: \$75,000 per year based average of FY 2011 and FY 2012  
Total: \$150,000 per FY or \$300,000 per biennium

Visual Paging

- Maintenance for 2 terminals/6 vessels with visual paging technology: \$75,000 per year  
Total: \$75,000 per FY or \$150,000 per biennium

**Delineate which costs or savings are one-time versus ongoing? What are the budget impacts in future biennia?**

All costs/revenues are ongoing.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
C - Personal Service Contracts	205,000	234,000	439,000	439,000	439,000
E - Goods and Services	75,000	75,000	150,000	150,000	150,000
<b>Total by Object</b>	<b>280,000</b>	<b>309,000</b>	<b>589,000</b>	<b>589,000</b>	<b>589,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** XG Passenger-Only Facilities  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Program:** X – Washington State Ferries Maintenance and Operations

**Recommendation Summary**

Local appropriation authority is requested based on an agreement reached in July 2011 for the King County Ferry District (Ferry District) to provide passenger-only ferry services to riders traveling between Seattle’s Colman Dock Ferry Terminal and Vashon Island Ferry Terminal.

**Fiscal Detail**

Revenues	FY 2014	FY 2015	2013-15	2015-17	2017-19
109-7 PSFOA-Local	60,000	61,000	121,000	125,000	129,000
<b>Total by Fund</b>	<b>60,000</b>	<b>61,000</b>	<b>121,000</b>	<b>125,000</b>	<b>129,000</b>

Expenditures	FY 2014	FY 2015	2013-15	2015-17	2017-19
109-7 PSFOA-Local	60,000	61,000	121,000	125,000	129,000
<b>Total by Fund</b>	<b>60,000</b>	<b>61,000</b>	<b>121,000</b>	<b>125,000</b>	<b>129,000</b>

	FY 2014	FY 2015	2013-15	2015-17	2017-19
<b>Staffing FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Package Description**

Local appropriation authority is requested based on an agreement reached in July 2011 for the King County Ferry District (Ferry District) to provide passenger-only ferry services to riders traveling between Seattle’s Colman Dock Ferry Terminal and the Vashon Island Ferry Terminal. Under the agreement, the Ferry District will pay \$57,000 beginning in Fiscal Year (FY) 2012 to cover expenses such as utilities and refuse disposal and other costs associated with the Ferry District’s use. This amount will be adjusted annually for inflation beginning in FY 2013.

**Narrative Justification and Impact**

**What specific performance outcomes does the agency expect?**

N/A

**Performance Measure Detail**

N/A

**Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. This package supports the department's goal to operate an efficient transportation system. Under the agreement, the Ferry District will provide passenger-only ferry service to riders traveling between Colman Dock in Seattle and the Vashon Island Ferry Terminal.

**Does this decision package provide essential support to one of the Governor's priorities? If so, please describe.**

N/A

**Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

N/A

**Identify important connections or impacts related to this proposal.**

The Ferry District provides passenger-only ferry service to riders who disembark from and arrive at terminal facilities that are owned by the department. This arrangement will provide the Ferry District the exclusive use of the Vashon Island Ferry Terminal, but not at the Colman Dock facility.

**What alternatives were explored, and why was this alternative chosen?**

State finance rules require the department to charge the ferry district for using the state terminal facilities.

**What are the consequences of not funding this package?**

If appropriation authority is not provided, WSF may not be able to offset costs associated with the Ferry District's use of the Colman Dock and Vashon Island facilities.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

An agreement dated June 24, 2011 between WSF and the Ferry District.

**Expenditure Calculations and Assumptions**

The terms of the contract require the Ferry District to pay for use of the passenger-only facilities at Colman Dock and Vashon Island. In FY 2012, the Ferry District will pay \$57,000. Every year thereafter, through the terms of the agreement (through June 30, 2019), this annual amount will be adjusted for inflation using the Consumer Price Index for the preceding calendar year. For example, for FY 2014 (July 2013-June 2014), the 2012 calendar year CPI is used.

Based on the June 2012 Forecast, the table below displays the CPI rates used.

Fiscal Year	CPI	
	Calendar Year	Rate
2014	2012	1.9%
2015	2013	1.7%
2016	2014	2.1%
2017	2015	2.2%
2018	2016	1.9%
2019	2017	1.6%

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

Ongoing through June 30, 2019.

Object of Expenditure Detail					
Object of Expenditure Detail	FY 2014	FY 2015	2013-15	2015-17	2017-19
E - Goods and Services	60,000	61,000	121,000	125,000	129,000
<b>Total by Object</b>	<b>60,000</b>	<b>61,000</b>	<b>121,000</b>	<b>125,000</b>	<b>129,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** YA State Support for Amtrak Cascades  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Program:** Y – Rail Operations

**Recommendation Summary**

Costs for state-supported Amtrak Cascades passenger rail services are increasing due to federal Passenger Rail Investment and Improvement Act (PRIIA) requirements, and contract provisions for the maintenance of state-owned train sets.

The PRIIA requires Amtrak, in consultation with the states, to develop and implement a single, nationwide standardized methodology for establishing and allocating the operating and capital costs for trains operated on regional routes. The implementation of this standardized methodology will impact the costs and revenues of existing Amtrak Cascades services directly subsidized by Washington. In addition, the costs and revenues associated with another existing Amtrak Cascades round trip between Seattle and Portland will transfer from Amtrak-support to the state-support.

The contract for maintenance of state-owned Talgo trains includes an annual three percent increase unless the parties mutually agree on new terms during pricing negotiations. Recent contract negotiations ended at impasse and the annual three percent increases have been implemented.

**Fiscal Detail**

Detail by Fund	FY 2014	FY 2015	2013-15	2015-17	2017-19
218-1 Multimodal-State	3,692,000	5,120,000	8,812,000	10,240,000	10,240,000
<b>Total by Fund</b>	<b>3,692,000</b>	<b>5,120,000</b>	<b>8,812,000</b>	<b>10,240,000</b>	<b>10,240,000</b>
	FY 2014	FY 2015	2013-15	2015-17	2017-19
<b>Staffing FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Package Description**

The Rail Operations budget consists of \$33.6 million of state funds for the 2011-13 biennium. Amtrak service and Talgo maintenance contracts make up 83 percent of this budget. In 2012, state-sponsored Amtrak service consists of two round trips between Portland and Seattle, one round trip between Portland and Vancouver, B.C., and one round trip between Seattle and Vancouver, B.C.

Maintenance Contract for State-Owned Train Sets

The contract for maintenance of state-owned train sets includes an annual three percent increase unless new terms are mutually agreed upon during pricing negotiations every four years. During 2011, the department and Talgo negotiated contractual terms for the four year

period beginning July 2011. The department presented proposals to hold costs to 2009-11 biennium levels and implement efficiency changes. The negotiations ended without an agreement resulting in the annual three percent increase being applied, effective in July 2013, and July 2014. This results in a \$515,000 increase to the budget for Talgo maintenance costs. The maintenance contract with Talgo ends in 2019.

#### Implement PRIIA Methodology and Transfer Route from Amtrak to State Support

Historically, the costs for regional passenger rail services have differed based on individual negotiations between each state and Amtrak. During the 2011-13 biennium, state-support for Amtrak Cascades services is contracted as a fixed fee for Amtrak costs, including labor and station costs. The fee does not include all operating costs for Amtrak Cascades passenger rail service. In addition, capital charges have not been part of the fee structure.

Section 209 of PRIIA requires Amtrak, in consultation with the states, to develop and implement a nationwide standardized methodology for establishing and allocating the operating and capital costs for trains operated on regional routes. Implementation of the PRIIA methodology, effective in October 2013, will result in the states supporting the full subsidy of all regional services.

The PRIIA allocation addresses both costs that are directly related to a corridor and shared cost that will be allocated among multiple corridors. Some costs currently borne by Amtrak will be allocated to the states, such as administration (overhead), capital, and facilities costs. The policy outlines the cost sharing approach for each line item.

The operating service fee from Amtrak will include:

- 100 percent of the third party costs associated with each corridor service, such as fuel, maintenance of way charges, and host railroad performance payments.
- 100 percent of the verifiable route costs associated with each corridor service, such as labor, consumable goods, and maintenance of equipment.
- Support fees proportional to the corridor's service, such as administration and other overhead costs.
- Credit for passenger and other allocated revenue, resulting in the net state cost.

Amtrak will charge states for a share of capital investments and other fixed assets that Amtrak has in service within each corridor. Because WSDOT and Oregon Department of Transportation (ODOT) own train sets, the impact of the new capital costs assigned to the Cascades corridor will be smaller in comparison to other regions.

Washington's subsidy of Amtrak Cascades services will increase due to several changes:

1. The definitions and methodology of the operations allocation will alter costs and revenues attributed to existing state-supported services.
2. One existing round trip service between Portland and Seattle will be transferred from Amtrak subsidy to Washington's subsidy.
3. Capital costs for equipment will be added to state subsidy calculations.

4. Capital costs for facilities charges (if any are applicable) will be added to state subsidy calculations.

The estimates in this decision package include the expected operating and capital charges based on the *Operating Work Book* released by Amtrak on June 1, 2012, and *Equipment Work Book* released on June 15, 2012. Amtrak is unable to give the department an estimate of when the facilities costs will be available. Therefore, the decision package does not include estimates for the facilities charges that may occur.

### **Narrative Justification and Impact**

#### **What specific performance outcomes does the agency expect?**

Funding the increased costs for Amtrak Cascades service and related maintenance costs for the state train sets will allow WSDOT to maintain passenger rail services in the 2013-15 biennium. Without this funding, further Amtrak Cascades service reductions would be required to manage to budgeted levels.

#### **Performance Measure Detail**

N/A

#### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. This request meets the department's goal of operating transportation systems efficiently, and effectively managing demand to relieve congestion.

#### **Does this decision package provide essential support to one of the Governor's priorities? If so, please describe.**

Yes, this package supports the Governor's priority to have a strong and reliable transportation system that efficiently moves people, goods, and services.

#### **Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes, this package furthers the Priorities of Government goal to support the state's economic vitality by maintaining and improving statewide mobility of people, goods, and services.

#### **Identify important connections or impacts related to this proposal.**

This funding for maintenance is necessary to ensure the continued utilization of state-owned equipment for the Cascades corridor service. Without this equipment, the state would have to rely on Amtrak to provide additional equipment for the corridor, at an additional cost to the state.

The increased funding for passenger rail service will allow continued service for Amtrak Cascades. Under a grant received through the American Recovery Reinvestment Act's (ARRA)

funding for high-speed rail projects, Washington committed to increasing current level of service between Portland and Seattle upon completion of high speed rail capital improvement projects. Increased level of service is expected to start in May 2017.

**What alternatives were explored, and why was this alternative chosen?**

If these cost increases are not funded for the Rail Program, WSDOT would need to make cuts to service and/or work with Amtrak to offset the subsidy costs by increasing fares. The cost estimates in this decision package include assumptions regarding revenue growth from ridership and fare increases. However, there is elasticity in passenger rail fares. Fares can be increased, but only to a point. When they reach a certain level, the loss of ridership outweighs the incremental increase from the higher fare. In addition, service reduction options are limited because of the requirements in the Service Outcome Agreement (SOA) for ARRA High Speed Rail funds, which obligate the state to maintain, and eventually expand, service between Portland and Seattle. If the SOA is not met, the federal government could require the department to pay back some federal ARRA funds.

**What are the consequences of not funding this package?**

Without this funding, the department would have to evaluate service reduction options and higher fare increases. However, both options are limited given the elasticity of fares and SOA requirements to maintain or expand service. If service reductions are implemented, the department could be required to pay back federal ARRA funds.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

If this package is not funded and services need to be adjusted, the department would need to renegotiate existing Amtrak and Talgo contracts.

**Expenditure Calculations and Assumptions**

Talgo maintenance contract is \$4.16 million for Fiscal Year 2013. The decision package assumes the base contract requirement to increase costs three percent each July because the department and Talgo could not reach alternative pricing assumptions. This package also assumes an increase in repair costs for items such as graffiti and derailment repairs above and beyond the amount covered by the maintenance agreement.

			(A)			(B)
			2011-13			2013-15
Talgo Cost	FY2012	FY2013	Biennium	FY2014	FY2015	Projected
			Baseline			Costs
Maintenance Cost	4,001,760	4,001,760	8,003,520	4,121,813	4,245,467	8,367,280
3% Contract Increase		120,053	120,053	123,654	127,364	251,018
Total Maintenance Contract Cost	4,001,760	4,121,813	8,123,573	4,245,467	4,372,831	8,618,298
Allocation for Repair Cost*	40,000	40,000	80,000	50,000	50,000	100,000
<b>Total Cost</b>	<b>4,041,760</b>	<b>4,161,813</b>	<b>8,203,573</b>	<b>4,295,467</b>	<b>4,422,831</b>	<b>8,718,298</b>
<b>Total Amount Requested (C) (C = B - A)</b>						<b>515,000</b>

\* Repairs: Cost for items such as vandalism and damage not covered by the maintenance agreement.

Amtrak fees are based on workbooks provided by Amtrak for costs that occurred during Federal Fiscal Year (FY) 2011 for all runs within the Cascades service. These amounts were inflated by the Seattle Consumer Price Index rates for cost and the fare revenue was increased three percent per year to offset cost increases. These amounts were then adjusted for state fiscal years.

Amtrak	Ridership	(A)	(B)	(C = B - A)
		Amtrak Costs	Revenues	State Support
FY 2010	570,482	30,316,395	21,146,257	(9,170,138)
FY 2011	576,693	32,830,930	23,974,455	(8,856,475)
<b>2009-2011</b>		<b>63,147,325</b>	<b>45,120,712</b>	<b>(18,026,613)</b>
FY 2012* <i>estimate</i>	587,789	34,301,341	24,232,245	(10,069,096)
FY 2013** <i>estimate</i>	594,305	34,483,294	24,939,963	(9,543,331)
<b>2011-2013</b>		<b>68,784,634</b>	<b>49,172,208</b>	<b>(19,612,427)</b>
FY 2014*** <i>estimate</i>	700,088	49,504,926	36,200,447	(13,304,479)
FY 2015*** <i>estimate</i>	746,164	53,707,916	39,102,372	(14,605,544)
<b>2013-2015</b>		<b>103,212,842</b>	<b>75,302,819</b>	<b>(27,910,023)</b>

**Notes**

\*Estimate for FY 2012 includes actuals from 7/2011 through 5/2012; 6/2012 estimated based on the 11 previous months.

\*\*Estimate for FY 2013 based on 11 months of actuals from FY 2012.

\*\*\*FY 2014 and FY2015 ridership, costs, and revenues reflect PRIIA 209, effective 10/2013. Costs and revenues are based on PRIIA 209 Workbooks received from Amtrak in June 2012. The round trip previously supported by Amtrak is included in FY 2014 and FY 2015 ridership, costs, and revenues.

**Talgo and Amtrak Cost**

2013-15 Carry Forward Level	<b>27,816,000</b>
Cost Estimates for 2013-15	
Talgo Maintenance and Repairs Costs	8,718,000
Amtrak Service	27,910,000
<b>Total</b>	<b>36,628,000</b>
<b>Total 2013-15 Budget Request</b>	<b>8,812,000</b>

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

The Talgo maintenance contract costs are ongoing. The 2015-17 and 2017-19 biennia do not include the three percent annual increase as the department assumes that future contract terms will be negotiated. If future costs increase, additional funding will be requested.

The PRIIA operations costs are ongoing. The capital equipment costs will vary based on overhaul and replacement cycle requirements.

<b>Object of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
E - Goods and Services	3,692,000	5,120,000	8,812,000	10,240,000	10,240,000
<b>Total by Object</b>	<b>3,692,000</b>	<b>5,120,000</b>	<b>8,812,000</b>	<b>10,240,000</b>	<b>10,240,000</b>

**Agency:** 405 Department of Transportation  
**Decision Package Title/Code:** YB PCC Rail System  
**Budget Period:** 2013-15  
**Budget Level:** PL – Performance Level

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**Program:** Y – Rail Operating and Capital

**Recommendation Summary**

Washington State Department of Transportation (WSDOT) owns the Palouse River and Coulee City (PCC) Rail System that serves farmers in Eastern Washington. Private railroad companies operate on the line through lease agreements. WSDOT requests 1.5 full-time equivalent (FTE) staff and \$338,000 in the Rail Operating Program to administer the PCC Rail System, operate it safely, and sustain the economic viability of the PCC system.

**Fiscal Detail**

<b>Detail by Fund</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
218-1 Multimodal-State	171,000	167,000	338,000	122,000	122,000
<b>Total by Fund</b>	<b>171,000</b>	<b>167,000</b>	<b>338,000</b>	<b>122,000</b>	<b>122,000</b>
	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
<b>Staffing FTEs</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>0.5</b>	<b>0.5</b>

**Package Description**

Washington State Department of Transportation (WSDOT) owns the Palouse River and Coulee City (PCC) Rail System that serves farmers in Eastern Washington. Private railroad companies operate on the line through lease agreements.

The system has approximately 245 public crossings, which represent the largest public safety issue on the PCC Rail System. Many of the crossings have suffered from years of deferred maintenance. Currently, three private railroad companies operate on the PCC Rail System through lease agreements with WSDOT. The operator maintenance program required in the agreements is insufficient to maintain the lines in a satisfactory operating condition. Growers must have reliable shipping. If the PCC is not maintained, the level of reliability will decrease, as was seen in April 2012, when the system experienced two derailments. These derailments jeopardized a vital agreement between Central Washington (CW) grain growers and the BNSF Railroad.

The 2011-13 biennial transportation budget included \$1 million for PCC rehabilitation, which also funded capital staff support for administering these preservation projects. In addition, the 2012 Supplemental State Capital Budget included \$4 million at the Department of Commerce for speed improvements for the short line rail for agriculture exports. These funding sources are assumed to be one-time.

WSDOT requests a total of \$2.8 million and 2.5 FTEs for the maintenance, operations, and preservation of the PCC Rail System, with funding divided between Rail operating and capital programs. The Rail Operating portion shown in this decision package includes 1.5 FTE staff and \$338,000 to continue efforts to manage the PCC Rail System. The staff will oversee operators' compliance with contractual agreements and regulatory requirements, acquire clear title to all PCC right-of-way (ROW); inspect signals for replacement and upgrade; inspect crossings on every line and determine the split of rehabilitation and maintenance needs between operators and WSDOT according to the lease agreements; develop contract plans for preservation work; develop a long term capitalized preservation program; and sell lease properties during the 2013-15 biennium.

In addition to this operating request, \$2.5 million is included in the capital projects list for rail preservation work (\$2.3 million), and related staff support (\$240,000). The capital request will build upon the investments from the 2011-13 biennium and allow for prioritized replacement of crossings to preserve the state's asset and address potential public safety liabilities.

### **Narrative Justification and Impact**

#### **What specific performance outcomes does the agency expect?**

Ongoing operation of the PCC system will allow continued use of freight rail instead of truck transports, which:

- Increases safety by removing up to 28,000 truck trips from roadways, an annual benefit of \$1.4 million.
- Avoids \$3.3 million in annual roadway damage repair cost to state and local roads.
- Saves nearly 70 shippers an estimated \$2.0 million per year.

#### **Performance Measure Detail**

N/A

#### **Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.**

Yes. This request supports the department's objective to improve the ability of truck and freight rail systems to serve identified industry needs, support regional economies, and build competitive advantages for Washington State products in the global marketplace.

#### **Does this decision package provide essential support to one of the Governor's priorities? If so, please describe.**

Yes. This package supports the Governor's priority to have a strong and reliable transportation system that efficiently moves people, goods, and services.

**Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.**

Yes. This package furthers the Priorities of Government goal to support the state's economic vitality by maintaining and improving statewide mobility of people, goods, and services.

**Identify important connections or impacts related to this proposal.**

WSDOT will work in partnership with lessees, local governments, economic development authorities, shippers of wheat, grain growers in Eastern Washington, and Class I railroads to develop innovative and efficient operating and shipping methods and improvements in providing competitive rail service for the region's rail shipping community.

**What alternatives were explored, and why was this alternative chosen?**

WSDOT continues to look for funding sources to preserve the PCC Rail System. WSDOT has submitted a grant request for \$900,000 to the Federal Highway Administration (FHWA), under Crossing Safety Section 130, to address deficient grade crossings that have been deemed hazardous by Washington Utilities and Transportation Commission (WUTC).

**What are the consequences of not funding this package?**

If this package is not funded the results would be:

- Minimal or no oversight or administration of the operating lease agreements for compliance with local, state and federal requirements, as stated in the operating lease agreements.
- Minimal or no management of the real property, or ability to sell property to current lease holders.
- Public safety liabilities would continue.

**What is the relationship, if any, to the state capital budget?**

N/A

**Determine which statutes, rules, or contracts might be impacted.**

There are currently three private operators on the PCC, one on each branch. If the rail line is not maintained, usage could decrease to the point that the operators exercise their right to terminate their operating agreements. The operating agreements allow operators to terminate when revenue carloads fall below a level deemed sustainable to break even. Currently, the revenue carload minimums needed to ensure that operators cannot terminate is 4,000 carloads for the Central Washington (CW) Branch; 2,400 carloads for the Palouse and Lewiston (P&L) Branch; and 1,000 carloads for the Pleasant Valley (PV) Hooper Branch.

**Expenditure Calculations and Assumptions**

In the combined Rail Operating and Capital requests, WSDOT would add two FTE Transportation Engineers and one Property Acquisition Specialist. One Transportation Engineer 4 (TE4) position would be split, with 0.5 FTE in the operating program and 0.5 FTE in the capital program. A half-time Transportation Engineer 2 (TE2) would support capital projects and be

funded from the Rail Capital Program, which is included in the funding request for capital projects. The Transportation Engineers will support the following items:

- Oversight and administration of operators' performance for compliance.
- Inspection of signals for replacement and upgrade.
- Inspection of crossings on every line and determination of rehabilitation and maintenance split between operators and state, according to the lease agreements.
- Development of contract plans for maintenance work.
- Development of a long term capitalized maintenance program.

One Property Acquisition Specialist 4 (PAS4) FTE is needed for managing and selling the lease properties, including inventory leases. This position is only funded in the 2013-15 biennium in the Rail Operating budget, with the assumption that these tasks would be completed in that time period.

Calculations for costs of goods and services and capital outlay for staff positions are based on WSDOT's standard costs.

The capital projects list also includes \$2.3 million per biennium for tie replacements, lining and dressing track, and other preservation projects. The capital staffing mentioned above will oversee these projects.

<b>Preservation Costs</b>	<b>2013-15</b>	<b>2015-17</b>
Tie Replacement	1,158,800	1,158,800
Maintaining Rail Joints	94,400	94,400
Lining and Dressing Track, Installing Ballast	365,600	365,600
Cleaning and Replacing Drainage Culverts	190,400	190,400
Replacing Deficient Crossing Surfaces	337,400	337,400
Upgrading Existing Signal Systems	157,600	157,600
<b>Total</b>	<b>2,304,200</b>	<b>2,304,200</b>

**Delineate which costs or savings are one-time versus ongoing. What are the budget impacts in future biennia?**

The PAS4 FTE is a one-time cost. The one-half TE4 FTE is ongoing.

<b>Objects of Expenditure Detail</b>					
<b>Object of Expenditure</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>2013-15</b>	<b>2015-17</b>	<b>2017-19</b>
A - Salaries and Wages	102,000	102,000	204,000	78,000	78,000
B - Benefits	34,500	34,500	69,000	23,000	23,000
E - Goods and Services	24,000	24,000	48,000	16,000	16,000
J - Capital Outlay	10,500	6,500	17,000	5,000	5,000
<b>Total by Object</b>	<b>171,000</b>	<b>167,000</b>	<b>338,000</b>	<b>122,000</b>	<b>122,000</b>

<b>Salary and FTE Detail</b>						
<b>List Positions by Classification</b>	<b>FTEs</b>			<b>Dollars</b>		
	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial Average</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Total</b>
Transportation Engineer 4	0.5	0.5	0.5	39,000	39,000	78,000
Property Acquisition Specialist 4	1.0	1.0	1.0	63,000	63,000	126,000
<b>Total</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>102,000</b>	<b>102,000</b>	<b>204,000</b>

<b>Out Biennia</b>				
<b>List Positions by Classification</b>	<b>FTEs</b>		<b>Dollars</b>	
	<b>2015-17</b>	<b>2017-19</b>	<b>2015-17</b>	<b>2017-19</b>
Transportation Engineer 4	0.5	0.5	78,000	78,000
Property Acquisition Specialist 4	-	-	-	-
<b>Total</b>	<b>0.5</b>	<b>0.5</b>	<b>78,000</b>	<b>78,000</b>