



**Washington State
Department of Transportation**

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November 15, 2017

David Schumacher, Director
Office of Financial Management
PO Box 43113
Olympia, WA 98504-3113

RE: Section 601(1) - Fund Transfers (Engrossed Senate Bill 5096)

ESB 5096, Section 601(1) authorizes the Director of the Office of Financial Management to approve appropriation adjustments for highway projects funded with Transportation Partnership Account (TPA) and Connecting Washington Account (CWA) appropriations that exceeds the authority provided to the department in section 601 (1)(g). See attachment for bill language.

Consistent with the process established by the Office of Financial Management, the department is reporting that there are no transfer requests for the quarter ending September 30, 2017.

Please contact me at 360-705-7121 or alexanja@wsdot.wa.gov if you have questions or need additional information. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Alexander".

Jay Alexander, Director
Capital Program Development and Management Office
Washington State Department of Transportation

JA:mde

Enclosure: ESB 5096, Section 601

cc: Dean Carlson, OFM

18

IMPLEMENTING PROVISIONS

19 **NEW SECTION. Sec. 601. FUND TRANSFERS**

20 (1) The 2005 transportation partnership projects or improvements
21 and 2015 connecting Washington projects or improvements are listed in
22 the LEAP Transportation Document 2017-1 as developed April 20, 2017,
23 which consists of a list of specific projects by fund source and
24 amount over a sixteen-year period. Current fiscal biennium funding
25 for each project is a line-item appropriation, while the outer year
26 funding allocations represent a sixteen-year plan. The department of
27 transportation is expected to use the flexibility provided in this
28 section to assist in the delivery and completion of all
29 transportation partnership account and connecting Washington account
30 projects on the LEAP transportation document referenced in this
31 subsection. For the 2017-2019 project appropriations, unless
32 otherwise provided in this act, the director of the office of
33 financial management may provide written authorization for a transfer
34 of appropriation authority between projects funded with
35 transportation partnership account appropriations or connecting
36 Washington account appropriations to manage project spending and

1 efficiently deliver all projects in the respective program under the
2 following conditions and limitations:

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

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

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

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

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

15 (f) Transfers to a project may not be made with funds designated
16 as attributable to practical design savings as described in RCW
17 47.01.480;

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

27 (h) Transfers between projects may be made by the department of
28 transportation without the formal written approval provided under
29 this subsection (1), provided that the transfer amount does not
30 exceed two hundred fifty thousand dollars or ten percent of the total
31 project, whichever is less. These transfers must be reported
32 quarterly to the director of the office of financial management and
33 the chairs of the house of representatives and senate transportation
34 committees.

35 (2) The department of transportation must submit quarterly all
36 transfers authorized under this section in the transportation
37 executive information system. The office of financial management must
38 maintain a legislative baseline project list identified in the LEAP
39 transportation documents referenced in this act, and update that
40 project list with all authorized transfers under this section.

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

4 (4) Before approval, the office of financial management shall
5 work with legislative staff of the house of representatives and
6 senate transportation committees to review the requested transfers in
7 a timely manner.

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

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