



**2019 Supplemental Budget  
for 2017-19 *and*  
2019-21 Enacted Budget  
Month 2020**

**Roger Millar, PE, AICP**  
Secretary of Transportation

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# Executive Summary

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## 2019-21 Transportation Budget Highlights

For the Washington State Department of Transportation (WSDOT), the enacted 2019-21 biennial budget continues the work and services that are important to Washington's residents and businesses. However, funding gaps in regards to critical transportation needs, such as maintenance and preservation provide challenges for the transportation system of Washington. The budget provides a total of approximately \$6.7 billion in operating and capital appropriations for the biennium.

### Select Budget Highlights

The 2019-21 Transportation budget (Chapter 416, Laws of 2019, partial veto (ESHB 1160), provides operating and capital budget appropriations to continue WSDOT programs and operations. The bill also provides compensation increases for marine employees. Non-marine employee compensation increases are provided for in the 2019-21 Omnibus Operating budget (Chapter 415, Laws of 2019, partial veto; (ESHB 1109). The 2019-21 Transportation budget provides a net appropriation increase of \$233 million compared to 2017-19 appropriation levels. The department's operating programs' appropriations increased \$203 million. Compensation increases totaling about \$34 million include funding of the collective bargaining agreements for department employees, including targeted increases for several highway maintenance and engineering classes of employees.

The operating budget includes the addition of \$5 million for snow and ice contingency in the maintenance program. The contingency is to supplement the base budget of \$20 million for snow and ice materials, in the event an emergency event(s) require additional materials to be purchased in the biennium.

Per the direction of Governor Inslee, the department will ramp up the fish barrier removal program by using budget flexibility (Sec. 601) allowed by the Legislature. Five projects will be moved out to future biennia and fish passage work will be advanced to deliver the appropriated program levels. This provides \$275 million for fish barrier removal work during the 2019-21 biennium, and provides the Legislature an opportunity to determine a long-term funding strategy to comply with the federal injunction.

### Operating Program Highlights

Ferries Operating Program:

- Provides ongoing funding investments of \$469,000 for an electronics support team, and \$260,000 for an additional operations watch supervisor, and one-time funding of \$1 million to standardize additional maintenance procedures.
- Provides \$5.2 million for increased fuel and credit card costs.
- Provides \$7.9 million for non-routine maintenance needed during the 2019-21 biennium.

Highway Maintenance Program:

- Increases appropriations by \$5 million for the contingency of snow and ice materials.
- Provides \$2.8 million for work safety items, including asbestos, silica, and arc flash.
- Provides \$2 million to cleanup homeless encampments in right-of-ways located in the Seattle and Tacoma areas.

# Executive Summary

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## Public Transportation Program:

- Aside from reappropriations of grant dollars that carry over from the 2017-19 biennium, the major increase is \$12 million for the Green Capital Grant Program, with the passage of House Bill 2042. The purpose of this new grant program is to aid any transit authority in funding cost-effective capital projects to reduce the carbon intensity of the Washington transportation system.

## Rail Operating Program:

- Provides \$671,000 in local funds, and \$224,000 in the state funds for continued analysis of ultra-high speed group transportation corridor.
- Provides appropriation authority for federal CRISI grant/PNWRC Service Development Plan.

## Capital Program Highlights

### Highway Improvement and Preservation Construction Programs:

- The Highway Improvements Program budget is over \$2.2 billion, with \$216.6 million from federal sources; and
- Provides \$1.485 billion from the Connecting Washington Account for numerous projects, including:
  - SR 520 Seattle Corridor Improvements Project,
  - SR 167/SR 509 Puget Sound Gateway Project,
  - I-5 JBLM Corridor Improvements Project,
  - I-405 Renton to Bellevue – Corridor Widening Project,
  - Several projects to remove fish passage barriers.
- The Highway Preservation Program budget is over \$768 million with over \$454.7 million in federal funding sources and includes \$118 million of Connecting Washington Account funding.

### Rail Construction Program:

- Provides a total of \$103 million for passenger rail and freight rail capital projects.
- Provides an additional \$750,000 for the Rail Crossing Improvements at 6<sup>th</sup> Ave. and South 19<sup>th</sup> St. in Tacoma.

### Ferry Improvement and Preservation Construction Programs:

- Provides appropriation for the biennium of \$114.9 million for preservation of the Seattle Terminal.
- Provides \$99 million for the conversion of one vessel to an electric hybrid vessel, which was approved through the passage of ESHB 2161.

# Executive Summary

## 2019-21 Budget Compared to 2017-19 Dollars in Millions

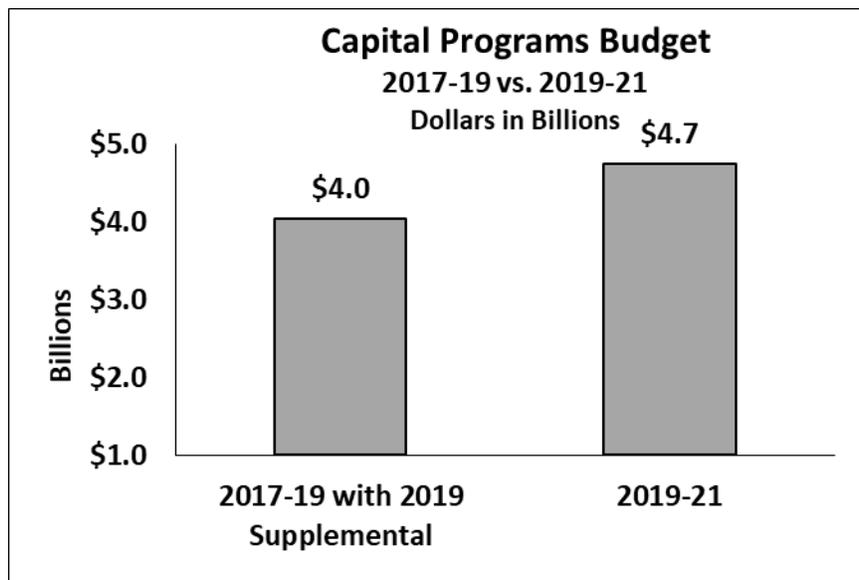
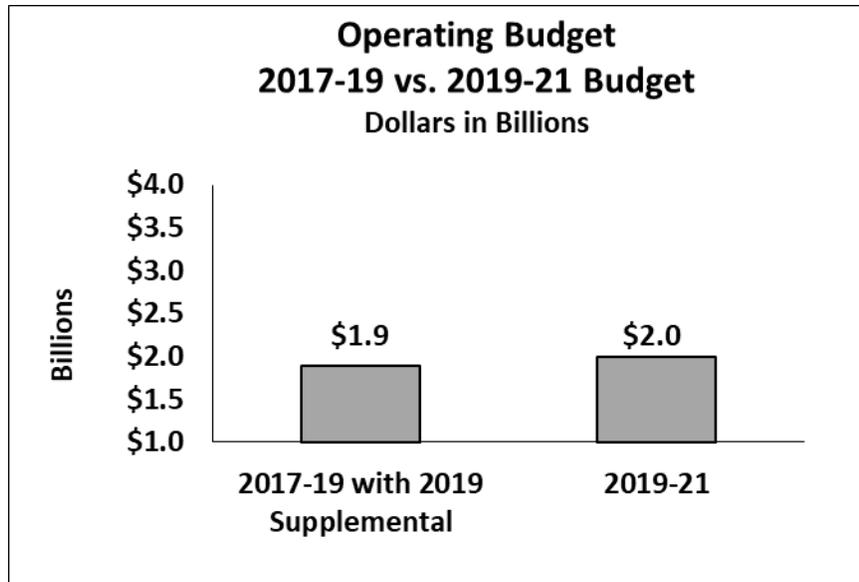
Pgm Code Program Title	2017-19		2019-21		Change		
	\$	FTEs	\$	FTEs	\$	%	FTE
<b>Operating Budget</b>							
B Toll Operations & Maintenance	125.957	62.5	118.4	57.0	(7.6)	(6.0%)	(5.5)
C Office of Information Technology	93.941	235.1	101.1	241.6	7.1	7.6%	6.5
D Facilities--Operating	29.359	81.7	33.2	86.7	3.8	13.0%	5.0
F Aviation	15.175	10.6	10.0	11.6	(5.1)	(33.9%)	1.0
H Program Delivery, Management, & Support	57.163	252.0	60.6	249.0	3.4	5.9%	(3.0)
K Public/Private Partnerships	2.246	2.0	4.3	2.0	2.1	91.6%	
M Highway Maintenance and Operations	484.365	1,554.2	519.1	1,595.0	34.8	7.2%	
Q Traffic Operations--Operating	68.111	247.4	73.0	247.4	4.9	7.2%	(0.1)
S Transportation Management & Support	36.992	182.3	41.7	182.8	4.7	12.6%	0.5
T Transportation Planning, Data, & Research	71.106	188.2	66.3	186.5	(4.8)	(6.7%)	
U Charges from Other Agencies	82.986		74.5		(8.5)	(10.2%)	
V Public Transportation	209.173	24.7	261.9	24.7	52.7	25.2%	
X Ferries--Operating	525.093	1,745.4	549.0	1,752.2	24.0	4.6%	6.8
Y Rail--Operating	66.374	15.0	76.8	15.0	10.4	15.7%	(0.1)
Z Local Programs--Operating	14.045	43.7	15.2	43.7	1.2	8.5%	
<b>Total Operating</b>	<b>1,882.086</b>	<b>4,644.8</b>	<b>2,005.0</b>	<b>4,695.0</b>	<b>123.0</b>	<b>6.5%</b>	<b>11.2</b>
<b>Nonappropriated Funds</b>							
E Transportation Equipment Fund	137.600	209.3	141.9	209.3	4.3	3.1%	
S Transportation Management & Support	0.175		0.2				
<b>Operating with Nonappropriated</b>	<b>2,019.861</b>	<b>4,854.050</b>	<b>2,147.115</b>	<b>4,904.250</b>	<b>127.254</b>	<b>6.3%</b>	<b>11.2</b>
<b>Capital Budget</b>							
D Facilities--Capital	34.553	7.5	93.5	7.5	58.9	170.6%	
I Highway Improvements	2,303.256	1,204.3	2,977.6	1,336.6	674.3	29.3%	132.3
P Highway Preservation	927.551	795.0	768.1	863.4	(159.5)	(17.2%)	
Q Traffic Operations--Capital	11.981	10.3	13.1	10.3	1.2	9.7%	
W Ferries--Capital	423.388	125.8	449.9	164.0	26.5	6.3%	38.2
Y Rail--Capital	124.238	12.0	103.9	12.0	(20.4)	(16.4%)	-
Z Local Programs--Capital	85.393		276.7		191.3	224.0%	
<b>Total Capital</b>	<b>3,910.360</b>	<b>2,154.9</b>	<b>4,682.7</b>	<b>2,393.8</b>	<b>772.4</b>	<b>19.8%</b>	<b>170.5</b>
<b>Total Appropriated Funds</b>	<b>5,792.446</b>	<b>6,799.7</b>	<b>6,687.8</b>	<b>7,088.8</b>	<b>895.3</b>	<b>15.5%</b>	<b>181.7</b>
<b>Total with Nonappropriated Funds</b>	<b>5,930.221</b>	<b>7,009.0</b>	<b>6,829.8</b>	<b>7,298.1</b>	<b>899.6</b>	<b>15.2%</b>	<b>181.7</b>

Notes: Items may not total due to rounding. Funding shown above reflects all sources, not only the transportation budget bills.

- WSDOT appropriations for the 2019-21 biennium are provided in two bills: most appropriations, including compensation, are included in the transportation budget bill, Chapter 416, Laws of 2019 PV (ESHB 1160); \$5 million in community aviation revitalization loans was included in the enacted capital budget, Chapter 413, Laws of 2019 PV (SHB 1102).
- Program F: \$200,000 of the \$468,000 Aeronautics Account-State appropriation provided for one FTE lapsed, because House Bill 1397 was not enacted by June 30, 2019, as stated in Chapter 416, Laws of 2019 PV (ESHB 1160), Sec. 212 (3) (d).
- Program S: \$138,000 of the Motor Vehicle Account-State appropriation provided for the implementation of Substitute Senate Bill (SSB) 5489 lapsed, because SSB 5489 was not enacted by June 30, 2019, as stated in Chapter 416, Laws of 2019 PV (ESHB 1160), Sec. 217 (4).

# Executive Summary

## Budget Comparison All Programs Appropriated Funds



# Operating Programs Budget Overview

## 2019-21 Transportation Operating Budget

The 2019-21 transportation-operating budget results in a net increase of \$122.9 million in appropriated dollars. The following table details these changes by program.

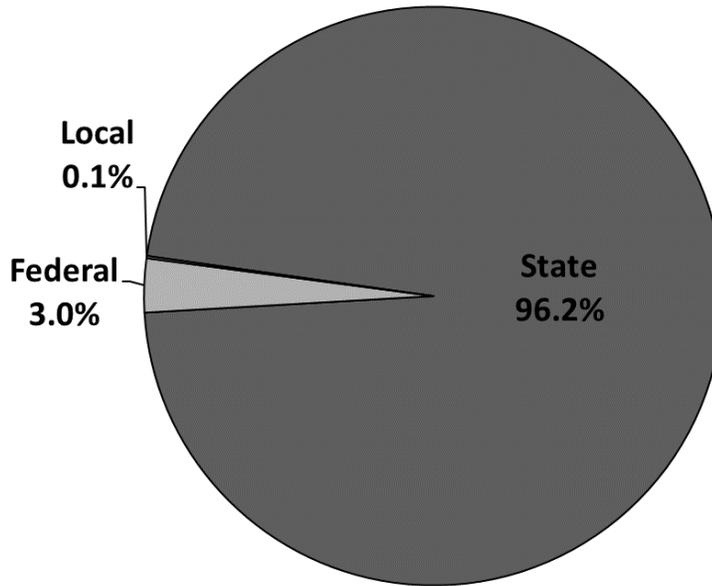
### 2019-21 Operating Budget Compared to 2017-19 with 2019 Supplemental Dollars in Millions

Pgm Code	Program Title	2017-19		2019-21		Change		
		\$	FTEs	\$	FTEs	\$	%	FTE
B	Toll Operations and Maintenance	\$125.96	62.5	118.4	57.0	(\$7.55)	(6.0%)	(5.5)
C	Office of Information Technology	93.94	235.1	101.1	241.6	7.11	7.6%	6.5
D	Facilities--Operating	29.36	81.7	33.2	86.7	3.82	13.0%	5.0
F	Aviation	15.18	10.6	10.0	11.6	(5.14)	(33.9%)	1.0
H	Program Delivery, Management, and Support	57.16	252.0	60.6	249.0	3.40	5.9%	(3.0)
K	Public/Private Partnerships	2.25	2.0	4.3	2.0	2.06	91.6%	(0.0)
M	Highway Maintenance and Operations	484.37	1554.2	519.1	1,595.0	34.76	7.2%	40.8
Q	Traffic Operations--Operating	68.11	247.4	73.0	247.4	4.87	7.2%	(0.1)
S	Transportation Management and Support	36.99	182.3	41.7	182.8	4.66	12.6%	0.5
T	Transportation Planning, Data, and Research	71.11	188.2	66.3	186.5	(4.80)	(6.7%)	(1.8)
U	Charges from Other Agencies	82.99		74.5		(8.50)	(10.2%)	-
V	Public Transportation	209.17	24.7	261.9	24.7	52.69	25.2%	-
X	Ferries--Operating	525.09	1745.4	549.0	1,752.2	23.96	4.6%	6.8
Y	Rail--Operating	66.37	15.0	76.8	15.0	10.42	15.7%	(0.1)
Z	Local Programs--Operating	14.05	43.7	15.2	43.7	1.19	8.5%	-
<b>Total Operating</b>		<b>\$1,882.09</b>	<b>4644.8</b>	<b>2,005.0</b>	<b>4,695.0</b>	<b>\$122.95</b>	<b>1.422</b>	<b>50.2</b>
<b>Nonappropriated Funds</b>								
E	Transportation Equipment Fund	\$ 137.60	209.30	141.9	209.3	\$12.99	9.4%	
S	Transportation Management and Support	\$ 0.18		0.2				
<b>Operating with Nonappropriated</b>		<b>\$2,019.86</b>	<b>4,854.1</b>	<b>2,147.1</b>	<b>4,904.3</b>	<b>\$135.95</b>	<b>6.7%</b>	<b>50.2</b>

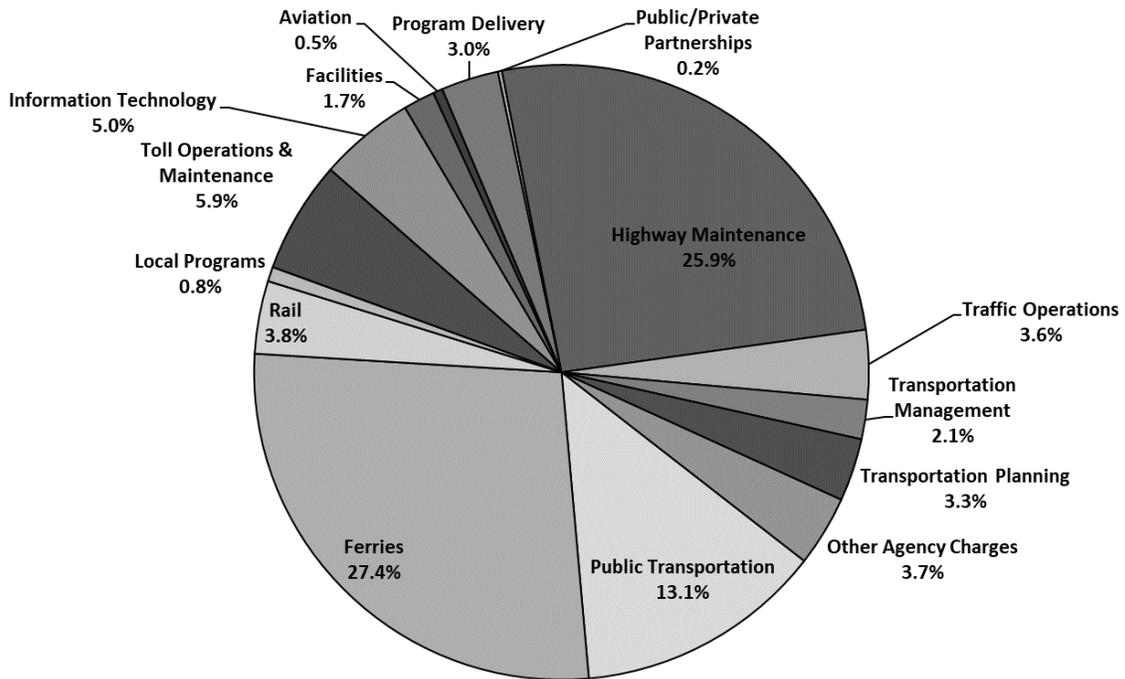
WSDOT

# Operating Programs Budget Overview

## 2019-21 Operating Budget - Sources



## 2019-21 Operating Budget - Uses



WSDOT

# Program B, Toll Operations and Maintenance

## Program Description

The Toll Operations and Maintenance program (Program B) is responsible for operations and oversight of statewide toll collections, which currently include the Tacoma Narrows Bridge (TNB), State Route (SR) 167, SR 520, Interstate 405 Express Toll Lanes (I-405 ETL), and SR 99 beginning in November 2019. This program supports toll policy, toll facility and technology, outreach and marketing, customer services (including the statewide customer service center, or CSC, call center), account management, and adjudication activities to pursue non-payment of tolls and to safeguard state assets. The program assures the quality and efficiency of toll operations and maintenance for state transportation facilities financed through direct user fees or tolls. The program is also responsible for forecasting and analyzing traffic, revenue, operations, budgeting, and tracking costs in order to recommend toll-schedule adjustments to the Washington State Transportation Commission, the toll-setting authority.

## 2019-21 Biennium Budget

The 2019-21 biennial budget includes several compensation item adjustments, such as workers compensation and pension and DRS rate changes as well as a fuel rate adjustment.

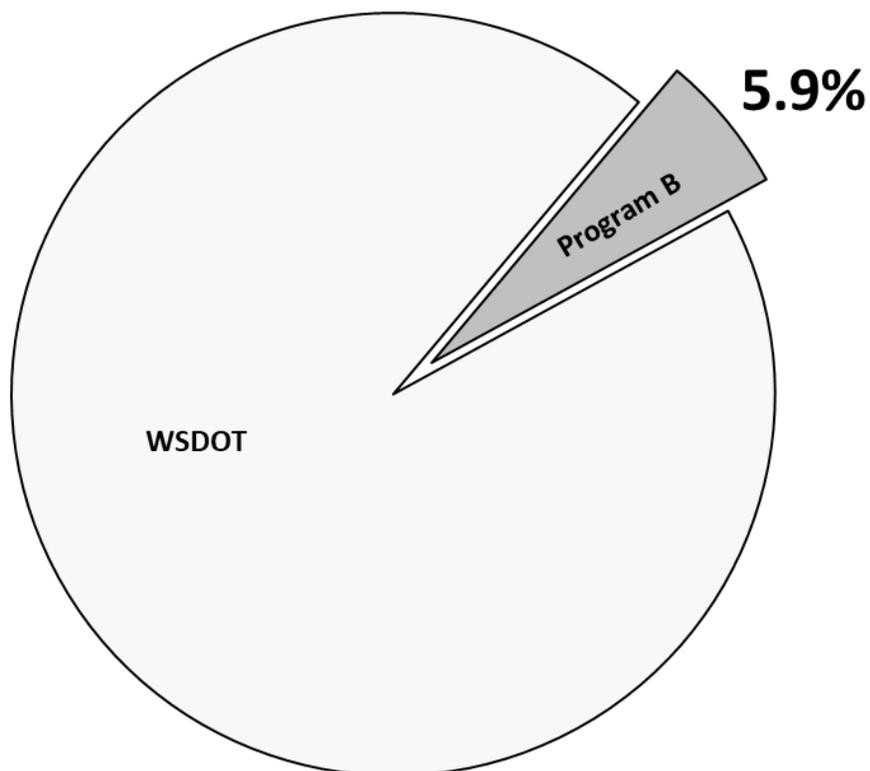
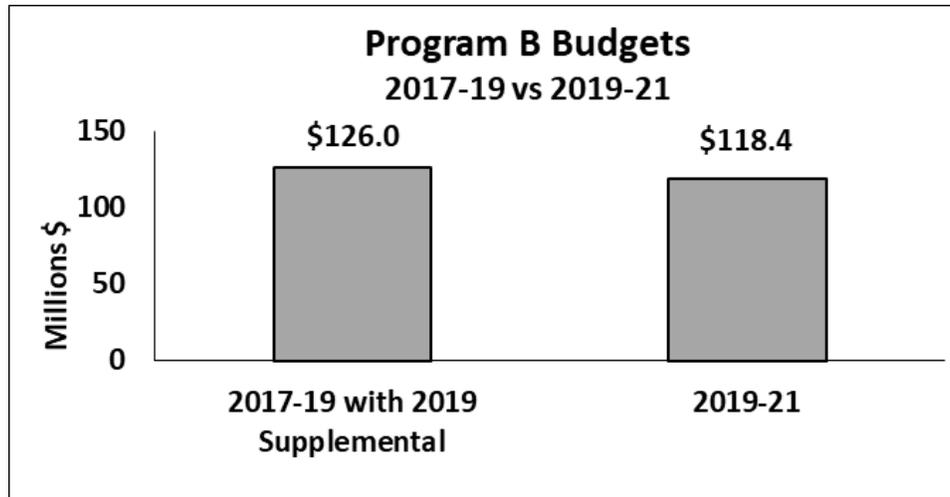
The largest adjustment is for toll collection cost reallocation (\$8.3 million reduction). Several smaller adjustments include additional funding for CSC Toll Collection Reappropriation (\$3.0 million), toll goods and O&M increase (\$2.41 million), SR520 Insurance (\$920,000), and WSP enforcement on I-405 and SR 167 (\$610,000).

The following table provides detail for the 2019-21 budget for Program B.

<b>2019 Supplemental Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>2017-19 with 2019 Supplemental Budget</b>	<b>135.54</b>	<b>62.5</b>
<b>Adjustments</b>		
Toll Collection Reappropriation	(3.00)	-
SR 99 Ramp Up Transponders Delay	(1.00)	-
CSC System & Operator	-	(7.5)
SR 99 Tolling O & M Delay	(5.58)	2.0
<b>Sum of Adjustments</b>	<b>(9.58)</b>	<b>(5.5)</b>
<b>Total Budget</b>	<b>125.96</b>	<b>57.0</b>
Percent Change	-7.1%	-8.8%
<b>2019-21 Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>Carry Forward Level</b>	<b>118.67</b>	<b>57.0</b>
<b>Adjustments</b>		
CSC Toll Collection Reappropriation	3.00	-
Fuel Rate Adjustments	(0.00)	-
Toll Collection Cost Reallocation	(8.30)	-
WSP Enforcement on I-405 and SR 167	0.61	-
CSC Vendor Increase Fund Correction	(0.07)	-
Toll Goods & Services O & M Increase	2.41	-
Compensation & Labor Negotiation Adjustments	1.17	-
SR 520 Insurance	0.92	-
<b>Sum of Adjustments</b>	<b>(0.27)</b>	<b>-</b>
<b>Total Budget</b>	<b>118.40</b>	<b>57.0</b>
Percent Change from 2019 Supplemental Budget	-6.0%	0.0%

# Program B, Toll Operations and Maintenance

The following charts compare the 2017-19 and 2019-21 budgets, display the program's budget as a percentage of the department's total 2019-21 operating budget, and illustrate historical and projected expenditure trends.



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# Program C, Information Technology

## Program Description

The Information Technology Program (Program C) is responsible for implementing and maintaining information systems that support the department's operations and program delivery. The program operates, preserves, and maintains the department's information technology infrastructure. These activities include equipment acquisition and installation; mainframe and server operations; technical support and internet operations; network management; personal computer support; business application-development; and data/telecommunications.

## 2019-21 Biennium Budget

The 2019-21 biennial budget includes several compensation item adjustments, such as workers compensation, pension, and DRS rate changes as well as a fuel rate adjustment.

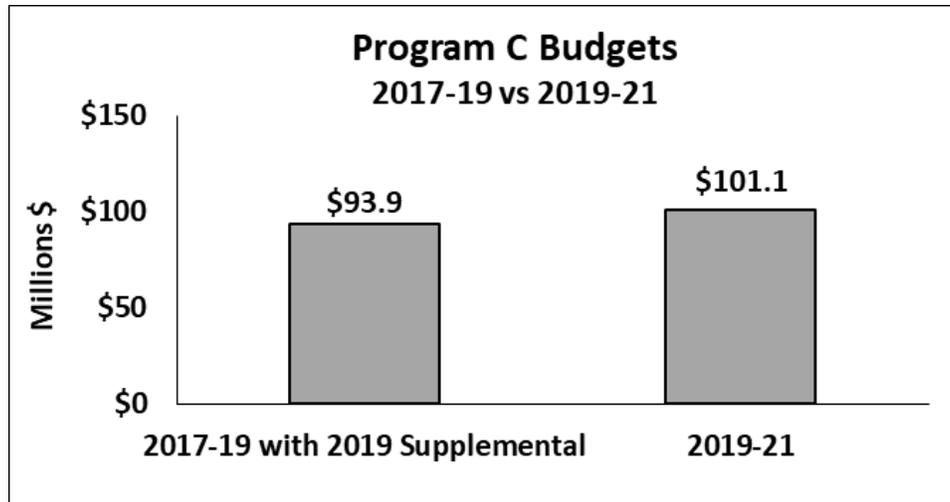
The largest appropriation increase is for a Labor System Replacement Project and provides \$8.1 million and 10 FTEs. The project is to complete the implementation of a time and attendance system throughout the department. Adjustments for software license and maintenance costs added \$0.5 million to the budget and \$200,000 was added for One Washington support.

The next table provides the detail for the 2019-21 budget for Program C.

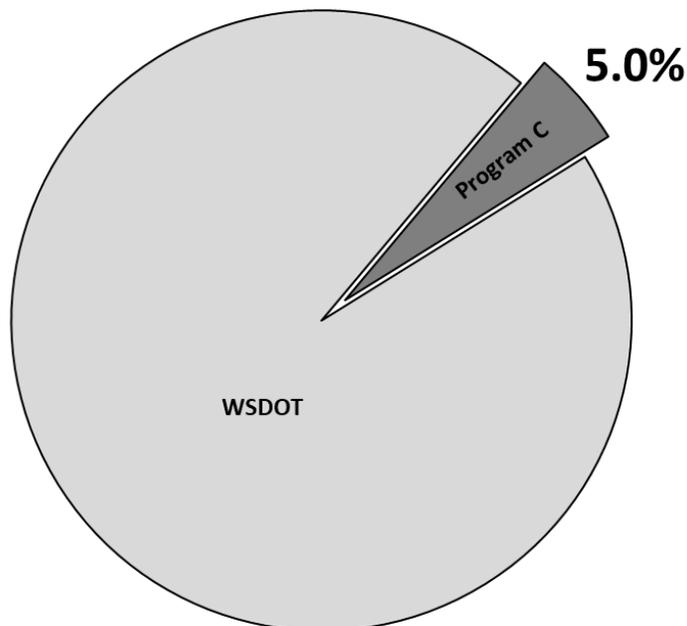
<b>2017-19 with 2019 Supplemental Budget</b>	<b>93.93</b>	<b>235.1</b>
<b>Adjustments</b>		
Labor System Replacement	-	-
Fuel Rate Adjustment	0.02	-
<b>Sum of Adjustments</b>	0.02	-
<b>Total Budget</b>	<b>93.94</b>	<b>235.1</b>
Percent Change	0.0%	0.0%
<b>2019-21 Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>Carry Forward Level</b>	<b>87.10</b>	<b>231.1</b>
<b>Adjustments</b>		
Central Services Carryforward Adj	-	-
Ferries IT Support	-	-
One Washington	0.20	0.5
Labor System Replacement	8.11	10.0
Software License and Maintenance	0.47	-
Fuel Rate Adjustments	0.05	-
Compensation & Labor Negotiation Adjustments	5.13	-
<b>Sum of Adjustments</b>	13.95	10.5
<b>Total Budget</b>	<b>101.05</b>	<b>241.6</b>
Percent Change from 2019 Supplemental Budget	7.6%	2.8%

# Program C, Information Technology

The following charts compare the 2017-19 and 2019-21 budgets and display the program's budget as a percentage of the department's total 2019-21 operating budget.



Program C Percent of Total WSDOT  
2019-21 Operating Budget of \$2 Billion



# Program D, Facilities—Operating

## Program Description

The Capital Facilities—Operating Program (Program D-Op.) operates and maintains 968 buildings totaling 2.6 million square feet at 296 sites across the state. Sites include region headquarters, maintenance shops, project engineer offices, laboratories, materials storage sites, communications sites, pits, quarries, and stockpile storage areas.

## 2019-21 Biennium Budget

The 2019-21 biennial budget includes several compensation item adjustments, such as workers compensation and pension and DRS rate changes as well as a fuel rate adjustment.

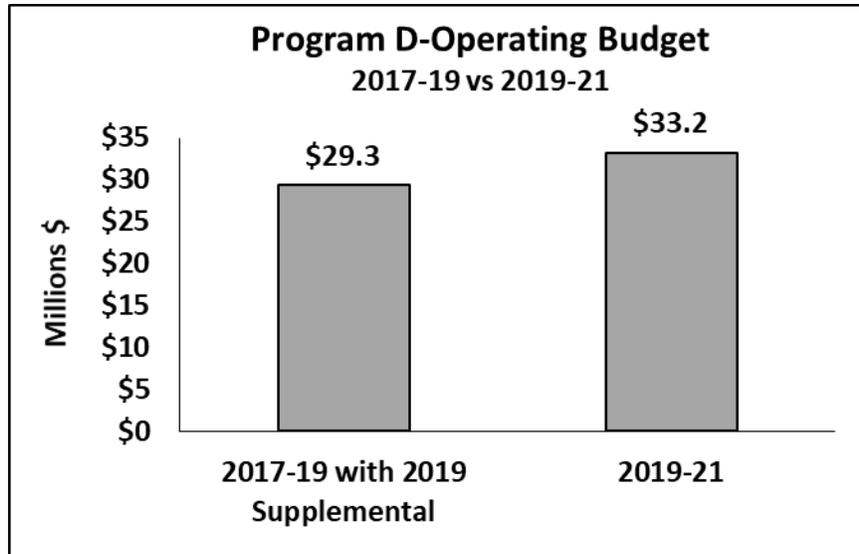
The largest adjustment is for worker safety related to asbestos (\$1.7 million). Several smaller adjustments include additional funding for Wenatchee building maintenance (\$18,000), computer purchases for Northwest Region (\$43,000), and wireless radio site leases (\$21,000).

The following table provides detail of the 2019-21 budget for Program D.

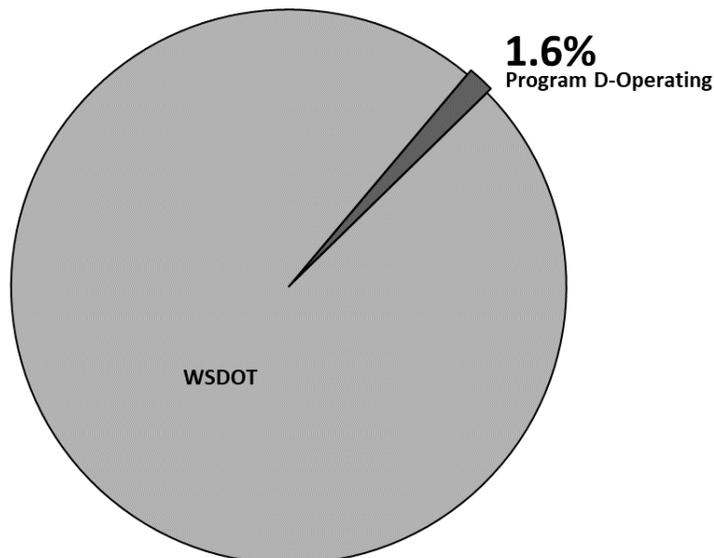
<b>2019 Supplemental Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>2017-19 with 2019 Supplemental Budget</b>	<b>29.40</b>	<b>81.7</b>
<b>Adjustments</b>		
Fuel Rate Adjustment	(0.04)	-
<b>Sum of Adjustments</b>	<b>(0.09)</b>	<b>-</b>
<b>Total Budget</b>	<b>29.32</b>	<b>81.7</b>
Percent Change	-0.3%	0.0%
<b>2019-21 Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>Carry Forward Level</b>	<b>29.75</b>	<b>81.7</b>
<b>Adjustments</b>		
Fuel Rate Adjustments	(0.05)	-
Wenatchee Building Maintenance	0.18	1.0
Computer Purchases for NW Region	0.43	-
Wireless Sites Lease Adjustments	0.21	-
Worker Safety: Asbestos	1.70	4.0
Compensation Adjustments	0.97	-
<b>Sum of Adjustments</b>	<b>3.44</b>	<b>5.0</b>
<b>Total Budget</b>	<b>33.18</b>	<b>86.7</b>
Percent Change from 2019 Supplemental Budget	13.2%	6.1%

# Program D, Facilities—Operating

The following charts compare the 2017-19 and 2019-21 budgets, display the program’s budget as a percentage of the department’s total 2019-21 transportation operating budget, and illustrate historical and projected expenditure trends.



Program D-Operating Percent of Total WSDOT  
2019-21 Operating Budget of \$2 Billion



WSDOT

# Program E, Transportation Equipment Fund

## Program Description

The department maintains the Transportation Equipment Fund (TEF) to meet most of its needs for equipment. This program includes the acquisition, inventory management, and logistical support for the department's motor vehicles, support equipment, and wireless communications system.

TEF is a nonappropriated program that funds its operations by charging equipment rent to other department programs to which it provides equipment. Funding for payments to TEF is appropriated to those programs. The Highway Maintenance Program is the major TEF customer, providing about 77 percent of TEF revenues. Although TEF funding is nonappropriated, the department is required to include a proposed budget for this program in the biennial budget request and to submit an allotment (spending plan) to the Office of Financial Management for approval.

## 2019-21 Biennium Budget

The budget for the TEF program is increased for higher expected revenue and fuel costs. The increase to fuel rates was calculated according to the March 2019 forecast of fuel prices, as well as a forecast of consumption based on the history of the previous two years by month.

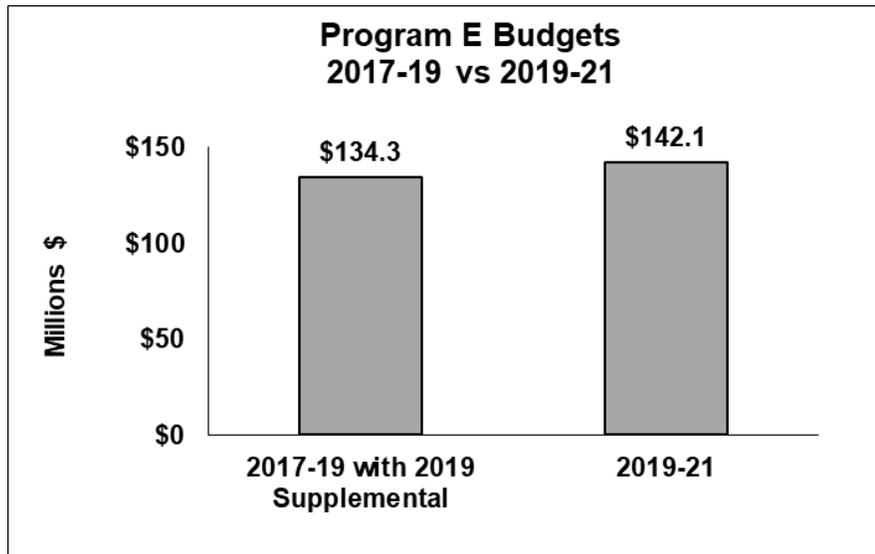
The following table provides the detail for the 2019-21 biennial budget for Program E.

<b>2019 Supplemental Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>2017-19 with 2019 Supplemental Budget</b>	<b>135.13</b>	<b>209.3</b>
<b>Adjustments</b>		
Fuel Rate Adjustment	(0.84)	-
<b>Sum of Adjustments</b>	<b>(0.84)</b>	<b>-</b>
<b>Total Budget</b>	<b>134.29</b>	<b>209.3</b>
Percent Change	-0.6%	0.0%
<b>2019-21 Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>Carry Forward Level</b>	<b>137.76</b>	<b>209.3</b>
<b>Adjustments</b>		
Fuel Rate Adjustments	4.29	-
<b>Sum of Adjustments</b>	<b>4.29</b>	<b>-</b>
<b>Total Budget (Non-appropriated)</b>	<b>142.06</b>	<b>209.3</b>
Percent Change from 2019 Supplemental Budget	5.8%	0.0%

# Program E, Transportation Equipment Fund

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The following chart compares the 2017-19 and 2019-21 program budgets.



# Program F, Aviation

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## Program Description

The mission of the Aviation Division is to preserve and foster the development of aeronautics and the state's aviation system of 134 public use airports, promotes the benefits of airports, advocates for aviation safety, provides air search and rescue, and manages state airports. Activities include the airport aid grant program, the aviation revitalization loan program, aviation system and land use planning, aeronautics emerging technology planning and management, air search and rescue operations, aviation emergency services, aircraft registration, and maintenance of 16 state-operated airports, eight of which are owned by the state. State grants, loans, and technical assistance are provided to public use airports for infrastructure improvements, planning, safety, and security.

## 2019-21 Biennium Budget

In the budget, ongoing WSDOT Aviation activities are funded entirely from the Aeronautics Account, which is a special revenue fund supported by taxes and registration fees paid by aircraft owners and operators. Outlook for the Aeronautics Account balance is projected to be negative starting in the 2021-23 and subsequent biennia.

The 2019-21 biennial budget added \$468,000 in expenditure authority for planning aviation emergency services and addressing emerging aeronautics requirements, which were agency request items. \$200,000 of this appropriation authority lapsed because House Bill 1397 for an Electric Aircraft Workgroup did not pass; however, the budget language was written in such a way that the underlying Aviation budget is required to cover the workgroup regardless.

The budget also added \$150,000 in expenditure authority of state funds for a Commercial Aviation Coordinating Commission.

Other budget changes in the carry forward level include federal funding adjustments and re-appropriation from 2017-19 biennium to the current biennium. Other minor budget adjustments cover \$2,000 for fuel rate adjustment for TEF equipment based on March 2019 forecast of fuel prices and projected consumption. Finally, funding is provided for changes in compensation, which include increased funding for higher employer contribution rate for employee pensions, salary increases, and a decrease in employer cost for workers' compensation benefits.

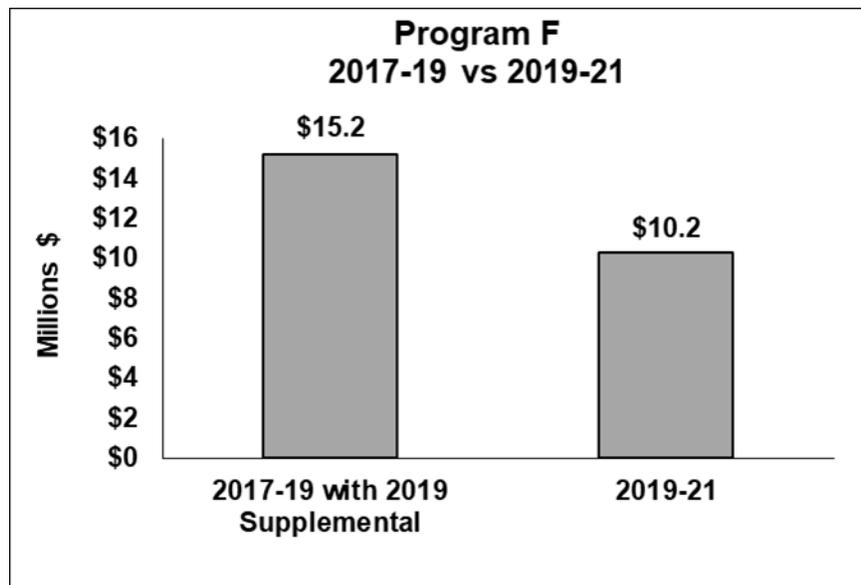
The program's budget is also adjusted to reflect an overall increase in employee salary and benefit costs.

# Program F, Aviation

The following table provides the detail for the 2019-21 budget for Program F.

		FTE
<b>2017-19 with 2019 Supplemental Budget</b>	<b>14.35</b>	<b>10.6</b>
<b>Adjustments</b>		
Federal Funding Adjustment	1.26	-
Reappropriation Adjustments	(0.44)	-
<b>Sum of Adjustments</b>	<b>0.82</b>	<b>-</b>
<b>Total Budget</b>	<b>15.18</b>	<b>10.6</b>
Percent Change	5.7%	0.0%
<b>2019-21 Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>Carry Forward Level</b>	<b>9.07</b>	<b>10.6</b>
<b>Adjustments</b>		
Fuel Rate Adjustments	0.00	-
Aviation Staff	0.47	1.0
Reappropriation Adjustments	0.44	-
Aviation Sitting Committee (SB 5370)	0.15	-
Compensation Adjustments	0.11	-
*Aeronautics Account-State Adjustment (HB 1397)	(0.20)	-
<b>Sum of Adjustments</b>	<b>0.97</b>	<b>1.0</b>
<b>Total Budget</b>	<b>10.04</b>	<b>11.6</b>
Percent Change from 2019 Supplemental Budget	-33.9%	9.4%

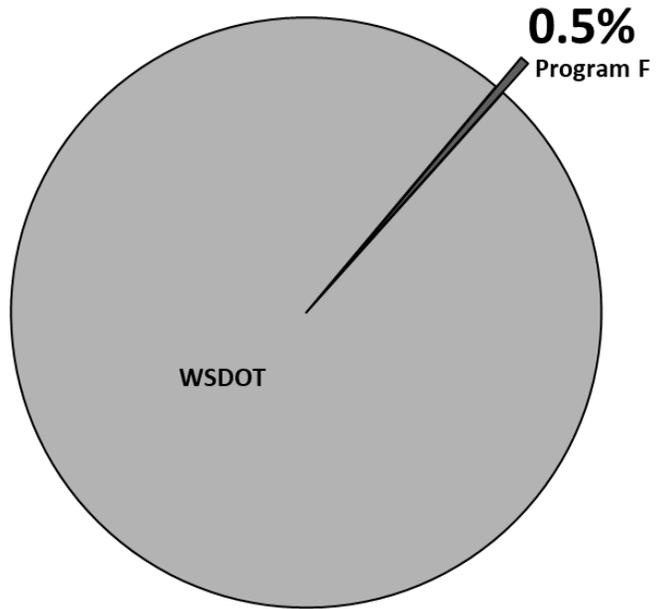
The following charts compare the 2017-19 and 2019-21 biennial budgets and display the program's budget as a percentage of the department's total 2019-21 operating budget.



# Program F, Aviation

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Program F Percent of Total WSDOT  
2019-21 Operating Budget of \$2 Billion



WSDOT

# Program H, Program Delivery, Management, and Support

## Program Description

The Program Delivery, Management, and Support Program includes the core functions and activities associated with the Highway Construction Program. The program includes executive management and support activities at headquarters and in the six regions, and the regions' administrative services. These executive management and support services reflect core functions necessary for program delivery, regardless of the size of the Highway Construction Program. The program also includes the department's Environmental Services Office.

## 2019-21 Biennium Budget

The enacted budget includes \$3 million for compensation adjustments to include a general wage increase of 3 percent, effective July 1, 2019; a general wage increase of 3 percent, effective July 1, 2020; premium pay changes, and increases in targeted job classifications. This budget also includes:

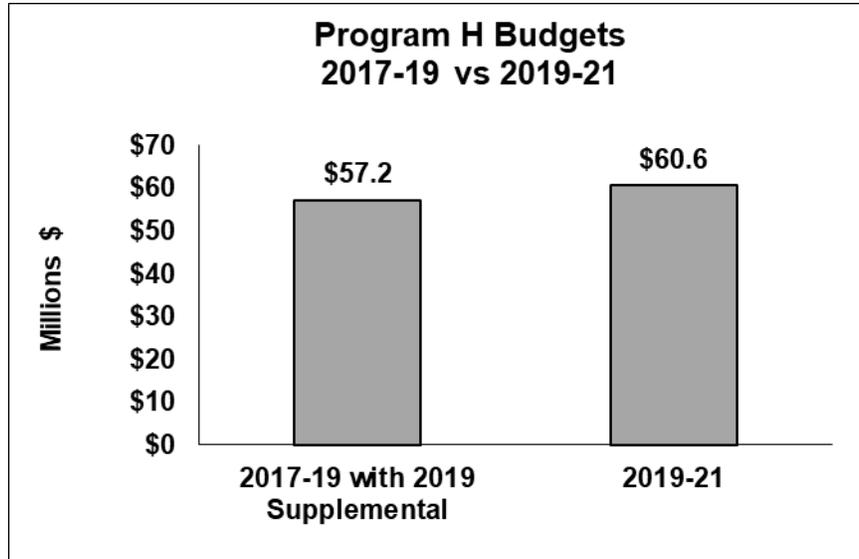
- A restoration of \$190,000 to improve and increase the level of design-build project delivery throughout the agency, per recommendations from the 2016 Review of WSDOT's Implementation of Design-Build Project Delivery Report;
- \$100,000 provided to procure third party services to address the backlog of appraisals for department-owned surplus properties approved for disposal;
- An increase to reflect higher projected TEF fuel costs based on the March 2019 forecast of fuel prices and projected consumption; and,
- An adjustment to reflect an overall increase in employee salary and benefit costs.

The following table provides the detail for the 2019-21 biennial budget for Program H.

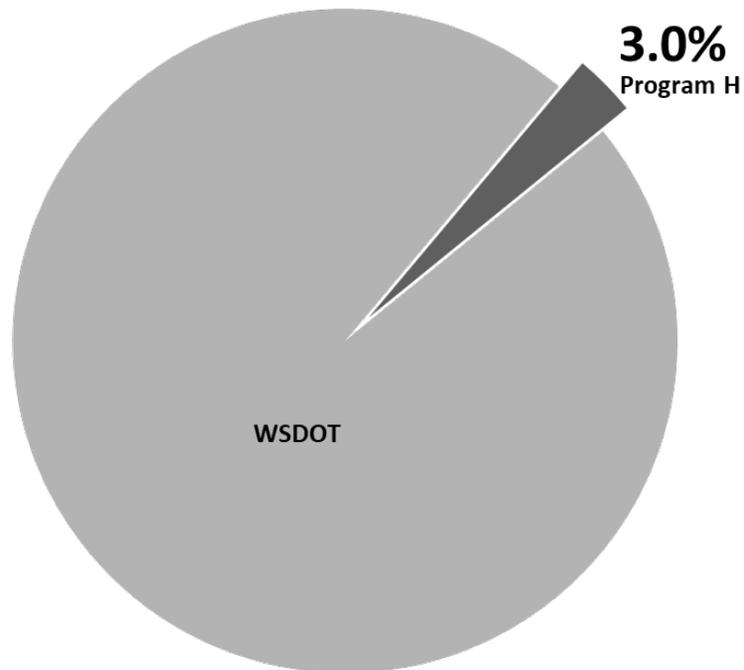
2019 Supplemental Budget Detail	Millions \$	FTE
<b>2017-19 with 2019 Supplemental Budget</b>	<b>57.16</b>	<b>252.0</b>
<b>Adjustments</b>		
Fuel Rate Adjustment	(0.00)	-
<b>Sum of Adjustments</b>	(0.00)	-
<b>Total Budget</b>	<b>57.16</b>	<b>252.0</b>
Percent Change	(0.00)	0.0%
2019-21 Budget Detail	Millions \$	FTE
<b>Carry Forward Level</b>	<b>57.21</b>	<b>248.0</b>
<b>Adjustments</b>		
Design-Build Program Staffing	0.19	1.0
Seattle Surplus Property Inventory	0.10	-
Fuel Rate Adjustments	0.02	-
Compensation Adjustments	3.04	-
<b>Sum of Adjustments</b>	<b>3.35</b>	<b>1.0</b>
<b>Total Budget</b>	<b>60.56</b>	<b>249.0</b>
Percent Change from 2019 Supplemental Budget	5.9%	-1.2%

## Program H, Program Delivery, Management, and Support (continued)

The following charts compare the 2017-19 and 2019-21 biennial budgets, display the program's budget as a percentage of the department's total 2019-21 operating budget, and illustrate historical and projected expenditure trends.



**Program H Percent of Total WSDOT  
2019-21 Operating Budget of \$2 Billion**



WSDOT

# Program K, Public/Private Partnerships

## Program Description

The Public/Private Partnerships Program explores and cultivates opportunities to create public and private sector partnerships that can help advance transportation projects, programs, and policies. The program accomplishes this by:

- Analyzing and assessing new ideas and possibilities for achieving transportation goals;
- Consulting with and advising agency administrators, project engineers, and elected or appointed officials who seek innovative solutions for transportation issues;
- Assisting businesses that have expertise or resources that the department may need, by explaining state laws, policies and programs, and helping them find a way to do business with the department;
- Assisting in the development of a project once the benefits have been demonstrated; and
- Administering specified grant programs that supplement private financing.

## 2019-21 Biennium Budget

Chapter 287, Laws of 2019 (Engrossed Second Substitute House Bill No. 2042, advancing green transportation adoption) combined with the 2019-21 budget for program K provided new funding for three alternative energy-related projects.

First, the previous Electric Vehicle Infrastructure Pilot Program, which expired at the end of 2017-19, is extended and broadened to alternative fuels including hydrogen. The program is appropriated \$2 million for grants (and related administration) for alternative fuel vehicle charging and refueling infrastructure. The budget also included \$1.2 million for a new pilot program to provide clean alternative fuel vehicle use opportunities to underserved communities. Lastly, \$84,000 is provided for an interagency transfer to Department of Commerce for an Electric Vehicle Financing Study.

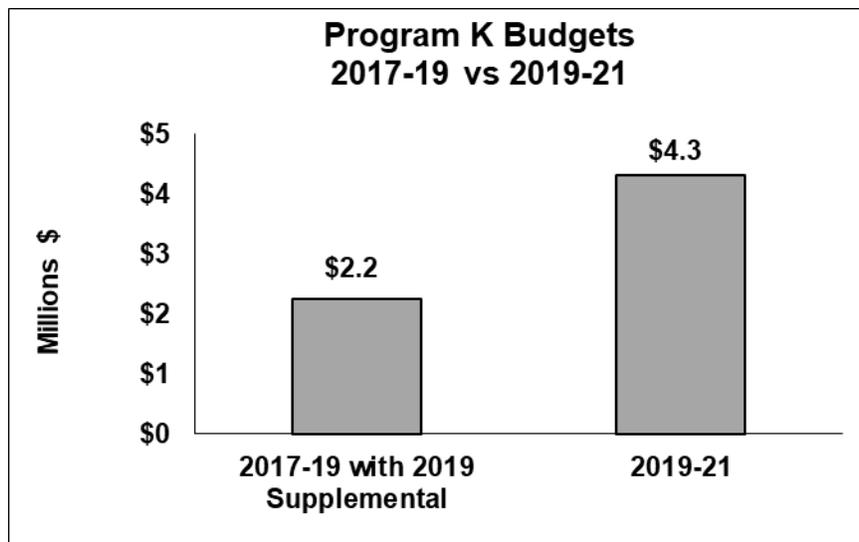
The 2019-21 budget also included \$350,000 for a transit-oriented development pilot project at the Kingsgate Park and Ride in Kirkland.

The following table provides the detail for the 2019-21 budget for Program K.

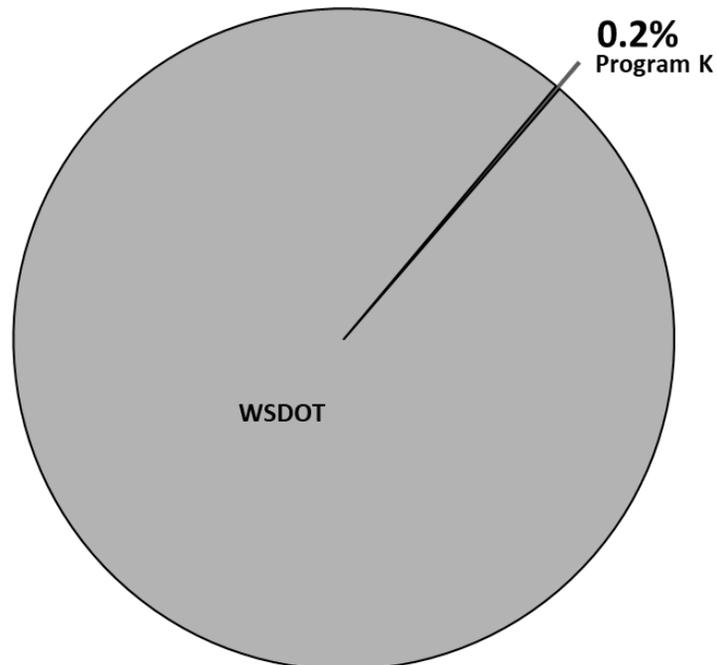
2019 Supplemental Budget Detail	Millions \$	FTE
<b>2017-19 with 2019 Supplemental Budget</b>	<b>2.25</b>	<b>2.0</b>
<b>Adjustments</b>		
Fuel Rate Adjustments	(0.00)	-
<b>Sum of Adjustments</b>	(0.00)	-
<b>Total Budget</b>	<b>2.25</b>	<b>2.0</b>
Percent Change	-0.1%	0.0%
2019-21 Budget Detail	Millions \$	FTE
<b>Carry Forward Level</b>	<b>0.65</b>	<b>2.0</b>
<b>Adjustments</b>		
Alternative Fuel Car Sharing Pilot	1.20	-
Alternative Fuel Infrastructure	2.00	-
Electric Vehicle Financing Study	0.08	-
Transit Oriented Development Pilot	0.35	-
Compensation Adjustments	0.02	-
<b>Sum of Adjustments</b>	3.66	-
<b>Total Budget</b>	<b>4.30</b>	<b>2.0</b>
Percent Change from 2019 Supplemental Budget	91.6%	0.0%

# Program K, Public/Private Partnerships

The following charts compare the 2017-19 and 2019-21 budgets and display the program's budget as a percentage of the department's total 2019-21 operating budget.



**Program K Percent of Total WSDOT  
2019-21 Operating Budget of \$2 Billion**



WSDOT

# Program M, Highway Maintenance and Operations

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## Program Description

This program is responsible for maintaining more than 20,000 lane miles of state highways, over 3,000 bridges, and more than 1,100 state-owned and operated traffic signal systems. In addition, 48 safety rest areas are maintained year-round and ten major mountain passes are maintained and kept open throughout the winter months. The program's primary mission is to maintain the highway infrastructure in good working order to keep people and goods moving.

## 2019-21 Biennium Budget

The 2019-21 biennial budget is increased by a net \$37.9 million from the 2019-21 base carry forward level budget. The largest adjustment is for compensation item adjustments such as workers compensation and pension and DRS rate changes (\$20.8 million).

The appropriation authority to repair damages to the system caused by known third parties is increased by \$1 million. The higher expenditures are expected to be covered by revenues anticipated to be collected from these parties.

Other increases for routine, unavoidable costs include higher expenditures for electricity, fuel, and local government stormwater assessments. Additionally, funding is provided for Tacoma Narrows Bridge maintenance, I-405 Express Toll Lanes maintenance, as well as the state's share of costs split with the state of Oregon for maintenance on bridges that span the Columbia River.

The 2019-21 spending authority includes a \$2 million increase for Right of Way cleanup, \$2.7 million increase for work safety (asbestos, Arc flash, respirable silica) and \$5 million increase for snow and ice contingency.

# Program M, Highway Maintenance and Operations

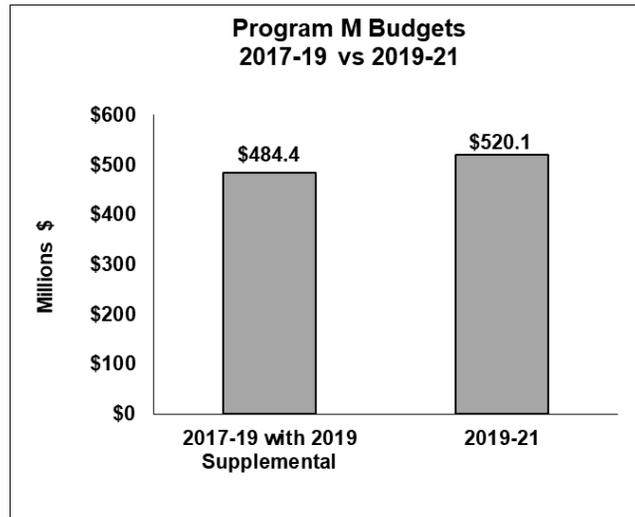
The following table provides the detail for the 2019-21 budget for Program M.

<b>2019 Supplemental Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>2017-19 with 2019 Supplemental Budget</b>	<b>467.32</b>	<b>1,554.2</b>
<b>Adjustments</b>		
Damages by Unknown Third Parties	1.35	-
SR 99 Tunnel O & M Reduction	(1.12)	-
Fuel Rate Adjustments	(0.02)	-
Amtrack Insurance Payment	0.28	-
Stormwater Fees	0.24	-
Extraordinary Snow & Ice Removal	15.00	-
Unreimbursed Disasters	1.30	-
<b>Sum of Adjustments</b>	<b>17.04</b>	<b>-</b>
<b>Total Budget</b>	<b>484.37</b>	<b>1,554.2</b>
Percent Change	3.6%	0.0%
<b>2019-21 Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>Carry Forward Level</b>	<b>482.21</b>	<b>1,576.9</b>
<b>Adjustments</b>		
Worker Safety: Asbestos/Arc Flash/Respirable Silica	2.74	4.0
Compensation Adjustments	20.81	-
Snow & Ice Contingency	5.00	-
Electrical Utilities	0.16	-
Fuel Rate Adjustments	1.96	-
Local Government Stormwater Fees	1.83	-
Damages by Known Third Parties	1.03	3.0
Oregon Bridge Agreements	0.62	-
Tacoma Narrows Bridge Maintenance	0.32	-
Regina Clark Memorial Bridge	0.00	-
Right-of-Way Clean-Up	2.04	6.0
I-405 ETLs Maintenance	1.37	5.1
<b>Sum of Adjustments</b>	<b>37.88</b>	<b>18.1</b>
<b>Total Budget</b>	<b>520.09</b>	<b>1,595.0</b>
Percent Change from 2019 Supplemental Budget	7.4%	2.6%

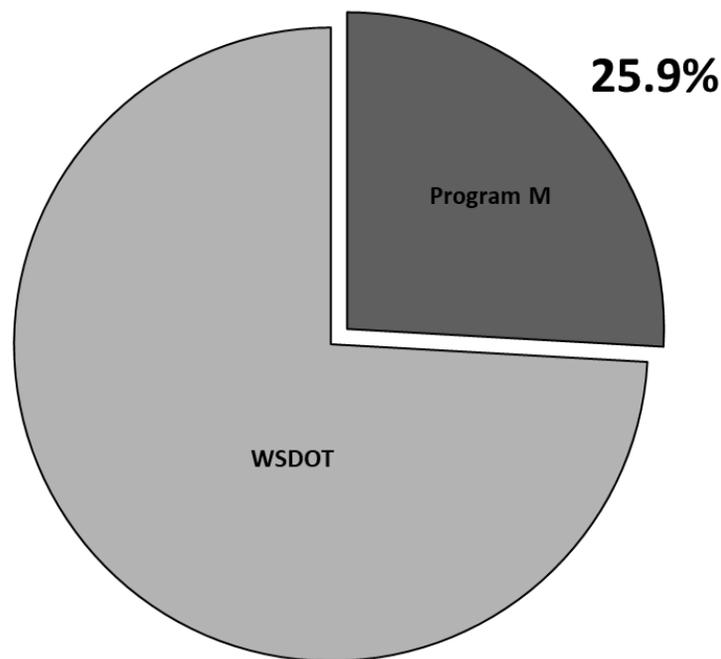
WSDOT

# Program M, Highway Maintenance and Operations

The following charts compare the 2017-19 and 2019-21 budgets and display the program's budget as a percentage of the department's total 2019-21 operating budget.



**Program M Percent of Total WSDOT  
2019-21 Operating Budget of \$2 Billion**



WSDOT

# Program Q, Traffic Operations—Operating

## Program Description

The Traffic Operations – Operating Program is focused on maximizing system efficiency and ensuring the safe use and operation of the transportation system. Functions include operating ramp meters, tunnels, traffic signals, transportation management centers, the incident response program, and providing information to travelers via the internet, the media, and by phone. The program provides low-cost operational safety and efficiency projects that include rumble strips, lane restriping, traffic-signal upgrades, signs, and illumination at dark intersections, minor intersection realignment, warning devices for wrong-way movements, and speed limit changes.

## 2019-21 Biennium Budget

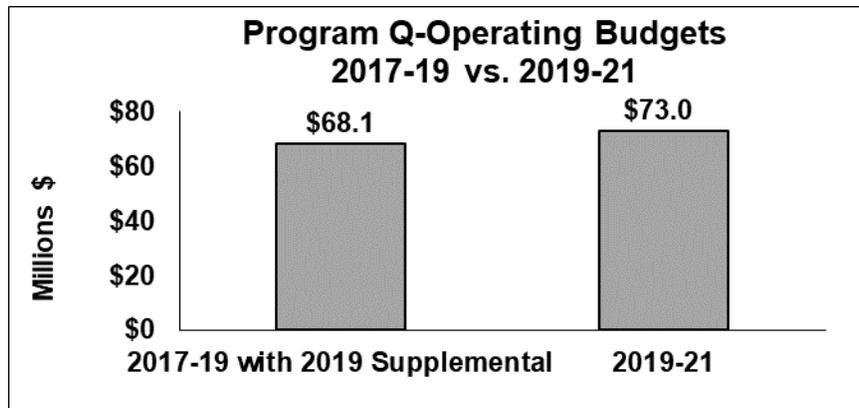
The program's 2019-21 enacted budget is increased by nearly \$4 million over the 2019-21 base budget level. The budget includes an increase of \$3.8 million for compensation increases, including an across-the-board cost of living increase for represented and non-represented employees, pension changes, health benefits, retirement, and workers' compensation. Other budget changes include a slight increase for additional Transportation Equipment Fund fuel and equipment rates for the program.

The following table provides the detail for the 2019-21 budget for Program Q-Operating.

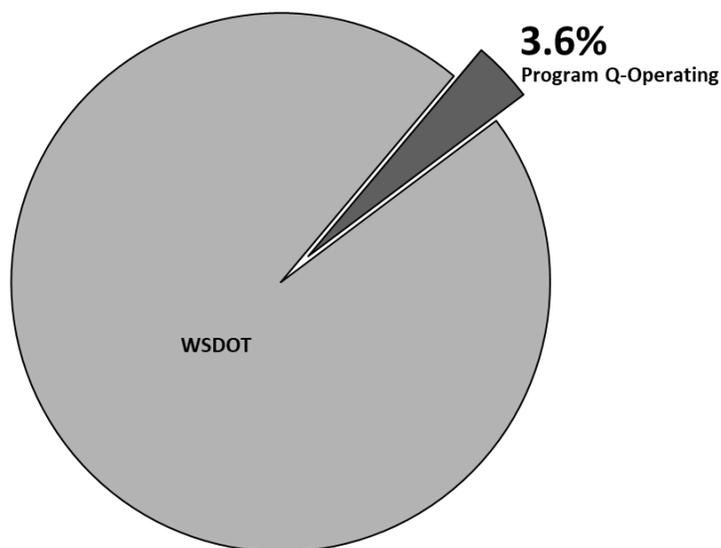
<b>2019 Supplemental Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>2017-19 with 2019 Supplemental Budget</b>	<b>68.04</b>	<b>247.4</b>
<b>Adjustments</b>		
TMCL Local Contribution for TMC	0.10	-
Fuel Rate Adjustment	(0.03)	-
<b>Sum of Adjustments</b>	<b>0.07</b>	<b>-</b>
<b>Total Budget</b>	<b>68.11</b>	<b>247.4</b>
Percent Change	0.1%	0.0%
<b>2019-21 Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>Carry Forward Level</b>	<b>69.02</b>	<b>247.4</b>
<b>Adjustments</b>		
Compensation Adjustments	3.88	-
Fuel Rate Adjustments	0.08	-
<b>Sum of Adjustments</b>	<b>3.96</b>	<b>-</b>
<b>Total Budget</b>	<b>72.98</b>	<b>247.4</b>
Percent Change from 2019 Supplemental Budget	7.2%	0.0%

## Program Q, Traffic Operations—Operating (continued)

The following charts compare the 2017-19 and 2019-21 budgets and display the program's budget as a percentage of the department's total 2019-21 operating budget



**Program Q-Operating Percent of Total WSDOT  
2019-21 Operating Budget of \$2 Billion**



WSDOT

# Program S, Transportation Management and Support

## Program Description

The Transportation Management and Support Program consolidates agency-wide executive management and support service functions. Those functions include executive administration, audit, equal opportunity, communications, government liaison, budget, accounting, risk management, and human resources.

## 2019-21 Biennium Budget

The 2019-21 biennial budget includes increases of approximately \$5.1 million for Program S from the base carry-forward level. The majority of this increase is the compensation adjustments for \$2.1 million. These adjustments include

Other budget notable adjustments include \$750,000 for the Worker Safety Industrial Hygiene, additional \$500,000 for the Stabilizing Construction Workforce, \$300,000 and one FTE to continue the Talent Development works, \$250,000 for the Studded Tire Information Campaign, and \$150,000 for Website Optimization.

Program's budget also include federal and private/local spending authorities. The \$600,000 federal spending authority is for the Strategic Highway Research Program 2 (SHRP-2) grants to complete two studies initially undertaken in the previous biennium. The \$500,000 private/local spending authority is for the Work Zone Safety Grants.

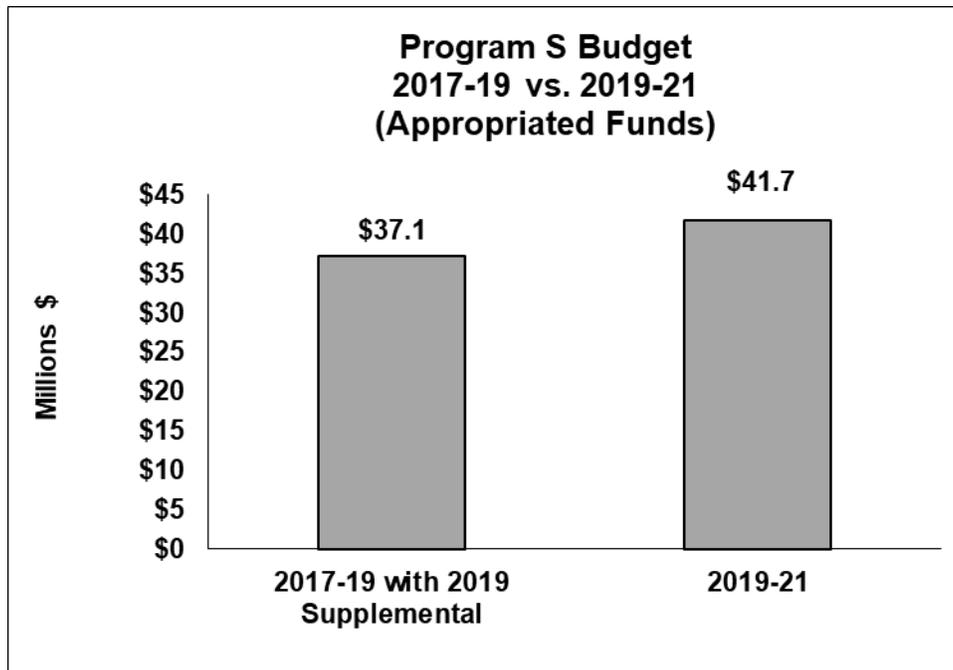
The following table provides the detail for the 2019-21 budget for Program S.

<b>2019 Supplemental Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>2017-19 with 2019 Supplemental Budget</b>	<b>36.99</b>	<b>182.3</b>
Non-appropriated	0.18	-
<b>Subtotal with Non-appropriated</b>	<b>37.167</b>	<b>-</b>
<b>Adjustments</b>		
Fuel Rate Adjustments	(0.01)	-
<b>Sum of Adjustments</b>	<b>(0.01)</b>	<b>-</b>
<b>Total Appropriated</b>	<b>36.98</b>	<b>182.3</b>
<b>Total with Non-appropriated</b>	<b>37.158</b>	<b>182.3</b>
Percent Change	0.0%	0.0%
<b>2019-21 Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>Carry Forward Level (appropriated funds)</b>	<b>36.51</b>	<b>181.8</b>
<b>Carry Forward Level with non-appropriated funds</b>	<b>36.69</b>	<b>181.8</b>
<b>Adjustments</b>		
Additional Federal Authority	0.60	-
Website Optimization	0.15	-
Fuel Rate Adjustments	0.02	-
Work Zone Safety Grants	0.50	-
Worker Safety Industrial Hygiene	0.75	1.0
Compensation Adjustments	2.07	-
Stabilizing Construction Workforce	0.50	-
Studded Tire Information Campaign	0.25	-
Talent Development	0.30	-
<b>Sum of Adjustments</b>	<b>5.14</b>	<b>1.0</b>
<b>Total (appropriated funds)</b>	<b>41.65</b>	<b>182.8</b>
<b>Total with non-appropriated funds</b>	<b>41.83</b>	<b>182.8</b>
Percent Change from 2019 Supplemental Budget	12.6%	0.3%

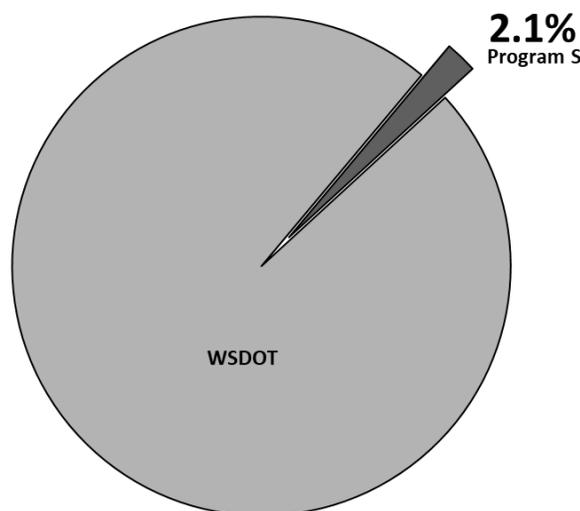
WSDOT

# Program S, Transportation Management & Support

The following charts compare the 2017-19 and 2019-21 budgets and display the program's budget as a percentage of the department's total 2019-21 operating budget.



**Program S Percent of Total WSDOT  
2017-19 Operating Budget of \$2 Billion**



WSDOT

# Program T, Transportation Planning, Data, and Research

## Program Description

The Transportation Planning, Data, and Research Program (Program T) supports planning activities within the Multimodal Planning Division, as well as Budget and Financial Analysis, Capital Program Development and Management, Freight Systems, Transportation Safety and Systems Analysis Division, Strategic Assessment, Active transportation, Traffic - Cooperative Automated Transportation (CAT), Washington State Ferries, and Planning units within WSDOT regions. Federal State Planning and Research (SPR) funds provide the data, information, analysis, and research that decision-makers need when making transportation system investments. They conduct research activities concerning construction and materials, traffic management, environment, design and safety, bridges and structures, security, maintenance, and multimodal transportation. The Multimodal Planning Division oversees federal pass-through and state-appropriated funds that are distributed directly to federal designated Metropolitan Planning Organizations and state Regional Transportation Planning Organizations.

## 2019-21 Biennium Budget

The 2019-21 biennial budget includes an \$11.7 million increase for Program T from the base carry-forward level. There are several compensation item adjustments, such as workers compensation and pension and DRS rate changes as well as a fuel rate adjustment and central services adjustment.

The largest adjustments include \$4.6 million of federal authority for the Road Usage Charge Project and \$3 million of state authority for the SR 167 Master Plan Update. In addition, there are modest increases for Multi-State Research Grants, RTPO Support, and several reappropriations (SR 303 Corridor Study, I-5 South Sound Study, and I-5/Tacoma Mall Blvd Study).

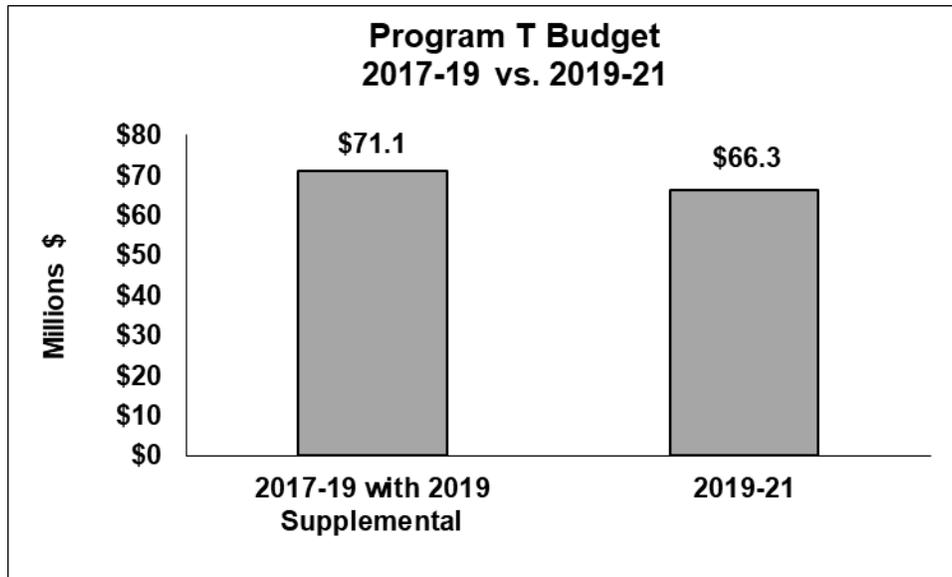
The federal pass-through funding, described above, is in a nonappropriated account and is therefore not part of the budgeted expenditure authority listed in the table, chart, and graphs below.

The following table provides the detail for the 2019-21 budget for Program T.

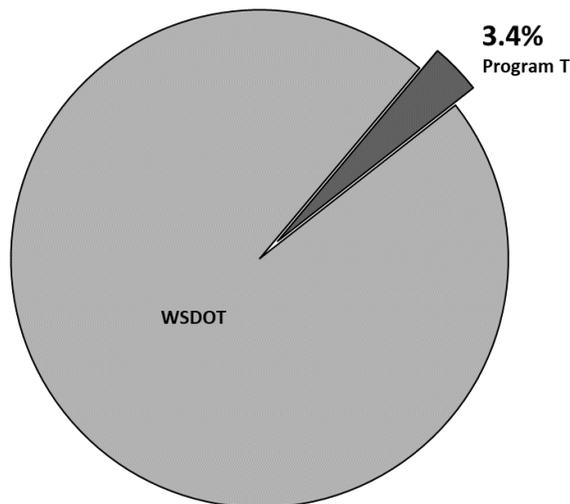
<b>2019 Supplemental Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>2017-19 with 2019 Supplemental Budget</b>	<b>71.58</b>	<b>188.2</b>
<b>Adjustments</b>		
I-5 South Sound Study Reappropriation	(0.13)	-
I-5/Tacoma Mall Blvd Study Reappropriation	(0.10)	-
SR 303 Corridor Study Reappropriation	(0.25)	-
Fuel Rate Adjustments	0.01	-
<b>Sum of Adjustments</b>	<b>(0.47)</b>	<b>-</b>
<b>Total Budget</b>	<b>71.11</b>	<b>188.2</b>
Percent Change	-0.7%	0.0%
<b>2019-21 Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>Carry Forward Level</b>	<b>54.58</b>	<b>186.5</b>
<b>Adjustments</b>		
RTPO Support	0.50	-
Multi-State Research Grants	0.80	-
Fuel Rate Adjustments	0.06	-
I-5/Tacoma Mall Blvd Study Reappropriation	0.10	-
I-5 South Sound Study Reappropriation	0.13	-
Road Usage Charge Federal Authority	4.60	-
SR 303 Corridor Study Reappropriation	0.25	-
SR 167 Master Plan Update	3.00	-
Compensation Adjustments	2.30	-
<b>Sum of Adjustments</b>	<b>11.73</b>	<b>-</b>
<b>Total Budget</b>	<b>66.31</b>	<b>186.5</b>
Percent Change from 2019 Supplemental Budget	-6.7%	-0.9%

# Program T, Transportation Planning, Data, and Research

The following charts compare the 2017-19 and 2019-21 budgets, display the program's budget as a percentage of the department's total 2019-21 operating budget, and illustrate historical and projected expenditure trends.



**Program T Percent of Total WSDOT  
2017-19 Operating Budget of \$2 Billion**



# Program U, Charges from Other Agencies

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## Program Description

The Charges from Other Agencies Program is for services provided by other state agencies including the following:

- Department of Enterprise Services provides mail service, leased parking, facility maintenance, risk management services, personnel services, and fuel contract management;
- Consolidated Technical Services (WaTech) provides information technology services;
- Office of Financial Management provides personnel, federal liaison, financial, and management services;
- Office of Minority and Women's Business Enterprises provides certification of disadvantaged business enterprises;
- Secretary of State provides archives and records management;
- State Auditor's Office provides audit services; and,
- Office of the Attorney General provides legal services.

## 2019 Supplemental Budget

The 2019 supplemental budget includes some additional funding for increases in defense costs and court judgments or settlements to Attorney General Office, for insurance gap payment to DES from a court judgment, and for higher charges to DBE services (Disadvantaged Business Enterprises) from OMWBE (Office of Minority and Women's Business Enterprises).

## 2019-21 Biennium Budget

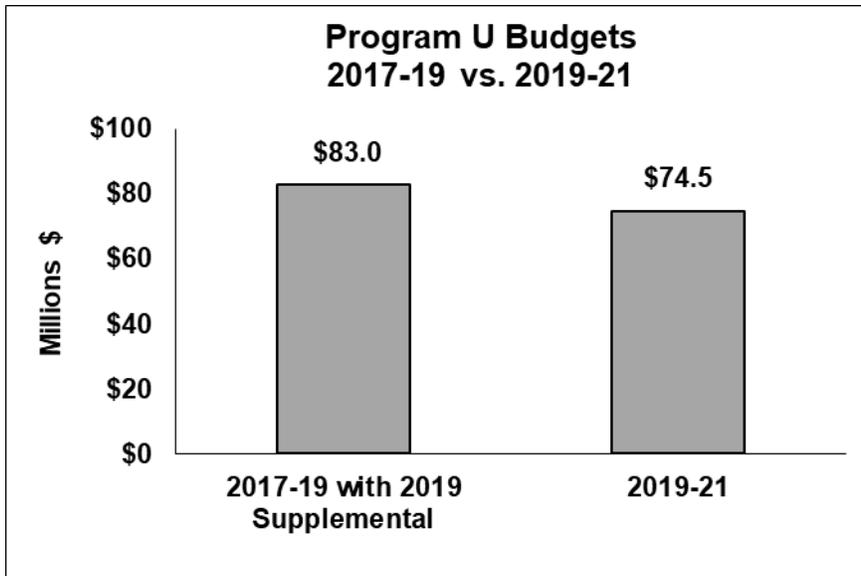
The 2019-21 biennial budget adjusts appropriations for Program U based on expected changes in WSDOT's costs for various services. The most significant change to the program's budget is the shift of \$7.4 million in Self Insurance Liability funding from WSDOT's budget to DES.

The following table provides the detail of funding adjustments for the 2019-21 budget for Program U.

# Program U, Charges from Other Agencies

2019 Supplemental Budget Detail	Millions \$	FTE
<b>2017-19 with 2019 Supplemental Budget</b>	<b>77.04</b>	<b>-</b>
<b>Adjustments</b>		
Legal Costs	3.20	-
Insurance Gap Payment	2.50	-
OMWBE Certification Costs	0.25	-
<b>Sum of Adjustments</b>	<b>5.95</b>	<b>-</b>
<b>Total</b>	<b>82.99</b>	<b>-</b>
Percent Change	7.7%	0.0%
2019-21 Budget Detail	Millions \$	FTE
<b>Carry Forward Level</b>	<b>76.66</b>	
<b>Adjustments</b>		
Administrative Hearings	0.02	-
Archives/Records Management	0.08	-
Audit Services	0.23	-
CTS Central Services	(3.88)	-
DES Central Services	0.37	-
Legal Services	(0.88)	-
OFM Central Services	4.64	-
Self-Insurance Liability Premium	3.42	-
Skagit River Bridge Collapse	1.09	-
State Data Center	(0.86)	-
Workers Compensation	0.99	-
WSF Legal Services	(7.40)	-
<b>Sum of Adjustments</b>	<b>(2.18)</b>	<b>-</b>
<b>Total</b>	<b>74.49</b>	<b>-</b>
Percent Change from 2019 Supplemental Budget	-10.2%	0.0%

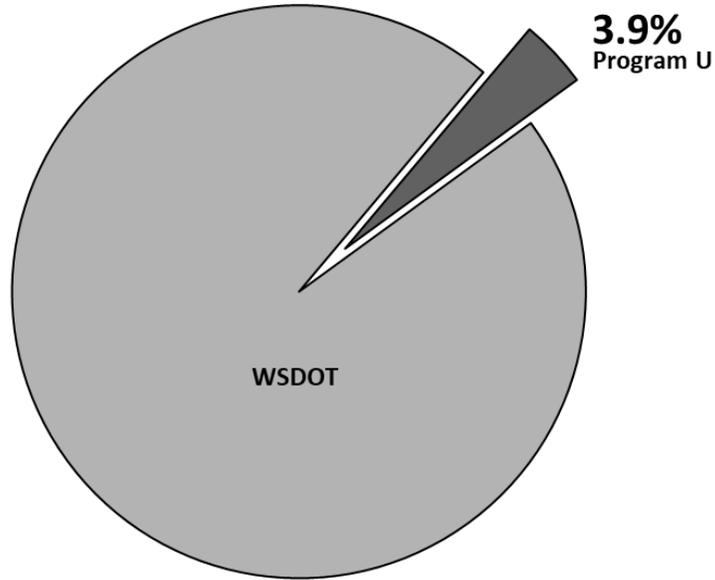
The following charts compare the 2017-19 and 2019-21 budgets and display the program’s budget as a percentage of the department’s total 2019-21 operating budget.



# Program U, Charges from Other Agencies

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**Program U Percent of Total WSDOT  
2019-21 Operating Budget of \$2 Billion**



# Program V, Public Transportation

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## Program Description

The Public Transportation Program is responsible for the overall administration, policy development, and reporting for public transportation programs, which includes developing, implementing and managing strategies, initiatives, and policies that support alternatives to the single-occupant vehicles. Program V administers state and federal grant programs designed to facilitate the connection and integration of the state and local transportation systems. These grants are awarded to public and private transportation organizations serving rural communities, the elderly, and persons with disabilities.

Additionally, Program V manages and provides state and federal grants for major employers, local jurisdictions, and activities that include trip reduction, ridesharing, and vanpooling through the state Commute Trip Reduction Program, Regional Mobility Grant Program, and the Agency Council on Coordinated Transportation. Finally, the program is responsible for conducting rail transit safety audits and investigations.

## 2019 Supplemental Budget

The 2019 supplemental budget includes reductions for reappropriation in the biennium 2019-21.

## 2019-21 Biennium Budget

The 2019-21 biennial budget includes \$77.7 million for new Regional Mobility Grants, which reflects the ramp-up of additional funding provided through the 2015 Connecting Washington revenue package. An additional \$18.9 million in reappropriations allow for completion of Regional Mobility Grant projects carried over from the 2017-19 biennium. The budget also provides additional funding for Vanpool Grants, Rural Mobility Grant projects, Special Needs Transit Grant projects, Transit Coordination Grants, and other transit projects. Two other transit projects with one-time funding are the \$12 million for the ORCA King County Pilot program, and the \$1 million for the First-Last Mile Transportation Demand Management Pilot program.

The budget includes \$3.7 million to begin State Route (SR) 7 express bus service. It is expected that future increases will cover continued development of SR 7 express service from Tacoma to Parkland/Spanaway in coming biennia. An increase of \$750,000 represents a state contribution to Intercity Transit's costs to operate the DASH shuttle service. The budget also includes a pass through of \$555,000 to Washington State University Energy Program Education.

In addition, appropriation authority is provided for compensation item adjustments such as workers compensation, pension, and DRS rate changes.

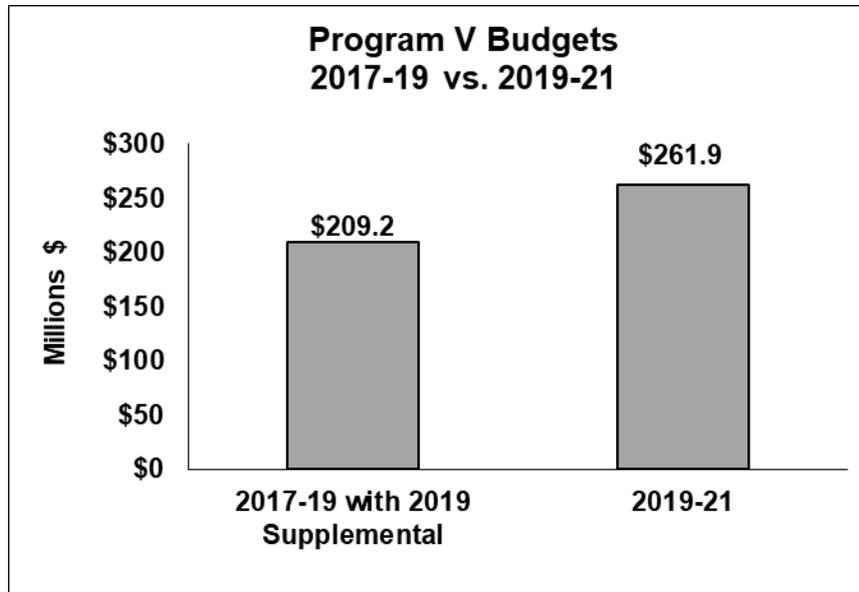
The table on the following page provides the detail for the 2019-21 budget for Program V.

## Program V, Public Transportation

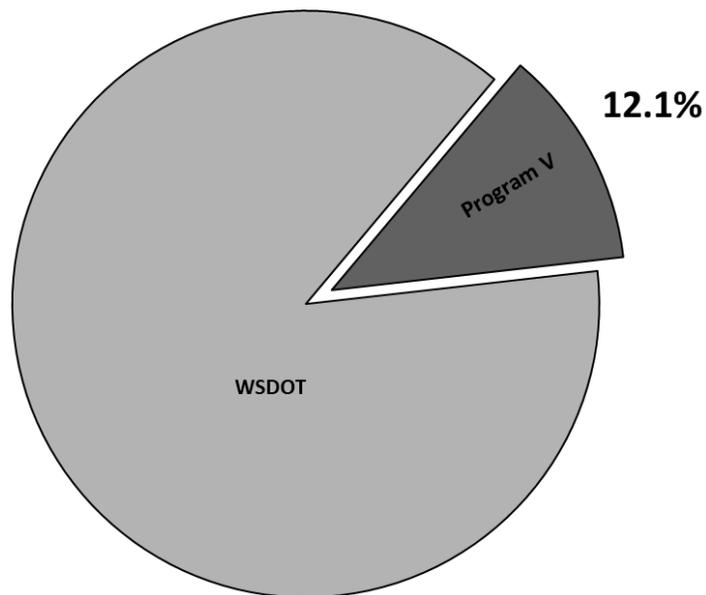
<b>2019 Supplemental Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>2017-19 with 2019 Supplemental Budget</b>	<b>236.75</b>	<b>24.7</b>
<b>Adjustments</b>		
Reappropriation Adjustment	(21.35)	-
Regional Mobility Adjustment	1.43	-
Transit Projects Adjustment	(7.66)	-
<b>Sum of Adjustments</b>	<b>(27.58)</b>	<b>-</b>
<b>Total Budget</b>	<b>209.17</b>	<b>24.7</b>
Percent Change	-11.6%	0.0%
<b>2019-21 Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>Carry Forward Level</b>	<b>124.93</b>	<b>24.7</b>
<b>Adjustments</b>		
Additional Special Needs Transit Grants	10.00	-
Compensation Adjustments	2.07	-
First-Last Mile TDM Pilot Program	1.00	-
Green Capital Grant Program	12.00	-
Intercity Transit DASH Program 2019	0.75	-
Move Up of Spokane Transit Project	1.00	-
Other Fund Adjustments	0.10	-
Reappropriate Mobility Grants	18.95	-
Regional Mobility Grants	77.68	-
Transit Projects Reappropriation	12.83	-
WSU Energy Program Education	0.56	-
<b>Sum of Adjustments</b>	<b>136.94</b>	<b>-</b>
<b>Total</b>	<b>261.87</b>	<b>24.7</b>
Percent Change from 2019 Supplemental Budget	25.2%	0.0%

## Program V, Public Transportation (continued)

The following charts compare the 2017-19 and 2019-21 budgets and display the program's budget as a percentage of the department's total 2019-21 operating budget.



**Program V Percent of Total WSDOT  
2019-21 Operating Budget of \$2 Billion**



## Program X, Ferries—Operating

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### Program Description

The Ferries – Operating program (Program X) provides for the operation and maintenance of the state’s Ferry System. Each year the Ferry System transports more than 24 million passengers and 11 million vehicles, including passenger and commercial vehicles. Its assets consist of 22 ferry vessels, 20 ferry terminals, and a dedicated maintenance facility at Eagle Harbor.

### 2019-21 Biennium Budget

Program X appropriations total \$549.0 million for the 2019-21 biennium. In comparison, by the end of the 2017-19 Biennium the Program X appropriation was \$525.1 million. Of last biennium’s appropriations, \$508.8 million qualified to be carried forward as the base for the 2019-21 biennium budget. Therefore, net increases above the base for 2019-21 amounted to \$40.2 million.

The largest adjustments are to fund labor and employee benefit costs of \$19.6 million, which include \$16.4 million for marine-employee collective bargaining increases, \$1 million for non-marine union across-the-board costs of living increases; and a \$2.2 million increase for statewide pension and DRS pension rate changes and workers compensation adjustments.

The budget reflects a \$5.3 million increase in ferry vessel fuel costs based on actual and expected fuel prices that are higher than the March 2017 forecast. However, based on the November 2019 forecast, fuel price has been decreased; therefore, a decrease of \$228,000 is requested in the 2019 supplemental November update to reflect the changes. In addition, \$7.9 million is provided for non-routine maintenance, which is spending against a federal grant (Federal Transit Administration).

Underlying operation costs include overtime, familiarization training, and required USCG compliance (ECDIS navigation and qualifications training). Adjustments were partially funded (requested -\$13.2 million; provided -\$4.4 million; difference -\$8.8 million) and provided instead of ongoing.

Finally, other adjustments were for items considered as unavoidable cost increases and include \$548,000 for higher credit card fees; \$300,000 for higher utility costs; and \$122,000 for contracts and leases.

Program X has 1,752.2 full time equivalent (FTE) employees for the 2019-21 biennium, which is a 9.6 FTEs increase from the carry forward level. The changes are in overtime staffing – terminals (3.0); familiarization training (2.0); Inventory/Logistics Manager (1.0); Electronics Support Team (2.0); Operations Watch Supervisor (1.0); and vessel maintenance standards (0.6)

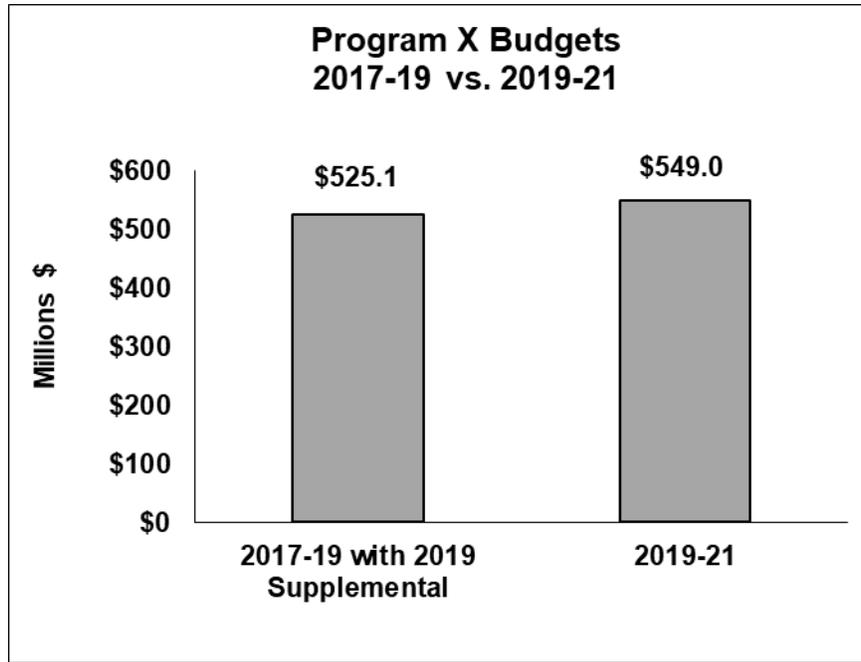
# Program X, Ferries—Operating

The following table provides the detail for the 2019-21 budget for Program X.

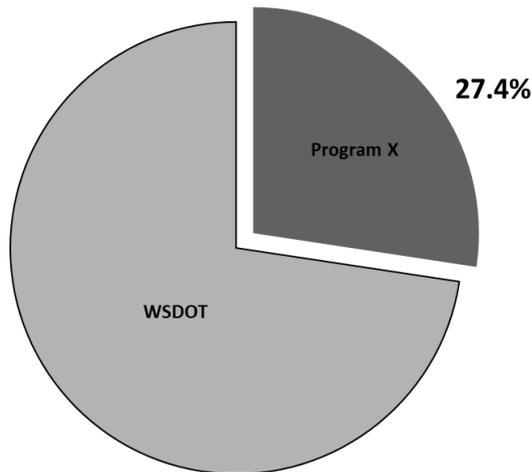
<b>2019 Supplemental Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>2017-19 with 2019 Supplemental Budget</b>	<b>518.82</b>	<b>1,745.4</b>
<b>Adjustments</b>		(2.8)
Credit Card Costs	(0.11)	-
Emergency Costs	0.25	-
Fuel Costs	2.58	-
Fuel Rate Adjustments	(0.07)	-
Staff Overtime Expenses	3.61	-
<b>Sum of Adjustments</b>	6.28	(2.8)
<b>Total Budget</b>	<b>525.09</b>	<b>1,742.6</b>
Percent Change	1.2%	-0.2%
<b>2019-21 Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>Carry Forward Level</b>	<b>508.84</b>	<b>1,742.6</b>
<b>Adjustments</b>		
Contracts and Leases	0.12	-
Credit Card Costs	0.55	-
Electronics Support Team	0.47	2.0
Fuel Costs	5.26	-
Fuel Rate Adjustments	(0.04)	-
Familiarization Training	0.29	2.0
Inventory/Logistics Manager	-	1.0
Ops Watch Supervisor	0.26	1.0
Staffing Overtime (Ferries/Terminals)	2.65	3.0
USCG Compliance (ECDIS/Qualifications)	1.46	-
Triangle Route Study	0.25	-
Utility Costs	0.30	-
Vessel Maintenance Standards	1.00	0.6
Vessel Noise Reduction Study	0.16	-
Non-Routine Maintenance	7.93	-
Compensation Adjustments/Union Agreements	19.55	-
<b>Sum of Adjustments</b>	40.21	9.6
<b>Total</b>	<b>549.05</b>	<b>1,752.2</b>
Percent Change from 2019 Supplemental Budget	4.6%	0.6%

# Program X, Ferries—Operating

The following charts compare the 2017-19 and 2019-21 budgets and display the program’s budget as a percentage of the department’s total 2019-21 operating budget.



**Program X Percent of Total WSDOT  
2019-21 Operating Budget of \$2 Billion**



# Program Y, Rail—Operating

## Program Description

The Rail Operating Program is responsible for operational support for Washington’s passenger and freight rail networks. Passenger rail operating support is provided through planning and implementing rail passenger service, supporting operation of state-sponsored Amtrak service between Vancouver, British Columbia, and Portland, Oregon, and maintaining state-owned passenger rail equipment.

Freight rail operational support is provided through the act of analyzing the trends, issues, and potential needs of Washington's freight rail system, which allows the program to manage operational freight rail investments strategically. Furthermore, the program is also responsible for overseeing operations of state-owned freight rail lines in Eastern Washington.

## 2019-21 Biennium Budget

### Rail Freight Operations

The Rail Freight Operations subprogram received \$564,000 of authority this biennium. About half of the authority is budgeted for administrative support for department employees managing rail freight operations. The other half will be used for maintenance and repair costs associated with state owned rail equipment, from nonappropriated funds.

### Rail Passenger Operations:

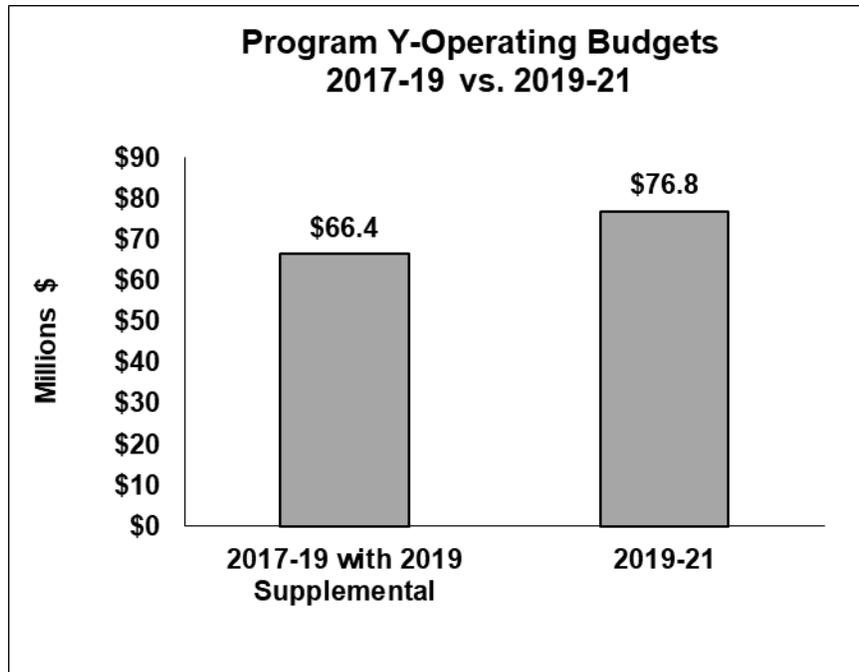
The Rail Passenger Operations subprogram received \$77 million of authority this biennium. Of this, \$69 million will be used for operating cost of the Cascades service, which includes maintenance and repair of state owned rail passenger equipment, Host Railroad infrastructure maintenance and service, and equipment provided by Amtrak. Another \$3 million has been budgeted for vendor costs related to management plan developments, studies, business case development. Lastly, roughly \$3.7 million will be used for staff to deliver the program.

The largest difference this biennium compared to last is the \$10 million in spending authority of the service cost for the new service between Seattle and Portland pending approval to restart.

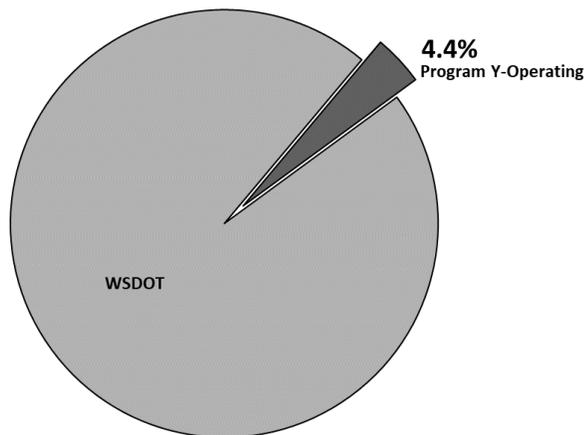
2019 Supplemental Budget Detail	Millions \$	FTE
<b>2017-19 with 2019 Supplemental Budget</b>	<b>81.51</b>	<b>15.0</b>
<b>Adjustments</b>		
Rail Service Contract Adjustments	(15.14)	-
Fuel Rate Adjustments	0.00	-
<b>Sum of Adjustments</b>	<b>(15.14)</b>	<b>-</b>
<b>Total Budget</b>	<b>66.37</b>	<b>15.0</b>
Percent Change	-18.6%	0.0%
<b>2019-21 Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>Carry Forward Level</b>	<b>80.24</b>	<b>15.0</b>
<b>Adjustments</b>		
PNWRC Service Development Plan	0.50	-
Rail Service Contract Adjustments	(5.00)	-
Compensation Adjustments/Union Agreements	0.16	-
UHSR Corridor Alliance	0.90	-
<b>Sum of Adjustments</b>	<b>(3.44)</b>	<b>-</b>
<b>Total</b>	<b>76.79</b>	<b>15.0</b>
Percent Change from 2019 Supplemental Budget	15.7%	0.0%

# Program Y, Rail—Operating

The following charts compare the 2017-19 and 2019-21 budgets and display the program’s budget as a percentage of the department’s total 2019-21 operating budget.



**Program Y-Operating Percent of Total WSDOT  
2019-21 Operating Budget of \$2 Billion**



# Program Z, Local Programs—Operating

## Program Description

Local Programs – Operating is responsible for the administration of state and federal funds that support city and county transportation systems. Under the department’s stewardship agreement with the Federal Highway Administration, Program Z serves as the program manager for all federal aid funds that are used locally to build and improve transportation systems of cities, counties, ports, tribal governments, transit agencies, and metropolitan and regional planning organizations statewide. The program also provides program and policy oversight for sidewalks, bike lanes, trails, pedestrian features, transit-rider crossing improvements, and other non-motorized community connections. The program provides the operating subsidy to reimburse Wahkiakum County for a portion of the operating and maintenance cost deficit for operating the Puget Island-Westport Ferry, pursuant to RCW 47.56.720.

## 2019-21 Biennium Budget

The 2019-21 budget provided funding for the department to work with the Washington State Association of Counties, in cooperation with other stakeholders, conduct a study, to:

- Identify county-owned fish passage barriers with priority given to barriers that share the same stream system as state-owned fish passage barriers;
- Recommend how to prioritize county-owned barriers within the same stream system as state-owned barriers within the current six year construction plan;
- Recommend how state six year construction plans should incorporate county owned barriers;
- Update Local Agency Guidelines (LAG) Manual, including exploring alternative within the LAG on county priorities;
- Study the current state of county transportation funding, identify emerging issues, and identify potential future alternative fuel funding sources to meet current and future needs.

The budget also provided funding for the Puget Sound Regional Council to conduct a study of new passenger ferry service to better connect communities throughout the twelve county Puget Sound Region. The study must:

- Assess potential new routes and identify future terminal locations;
- Provide recommendation to accelerate the electrification of the ferry fleet;
- Identify future passenger only demand throughout Western Washington;
- Include early and continuous outreach with all interested stakeholders.

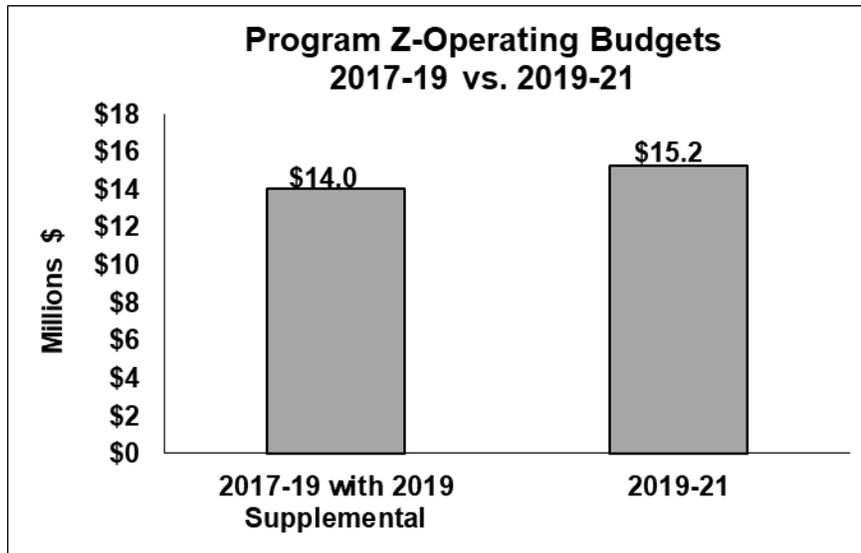
The program’s budget is also adjusted to reflect an overall increase in employee salary and benefit costs.

The following table provides the detail for the 2019-21 budget for Program Z.

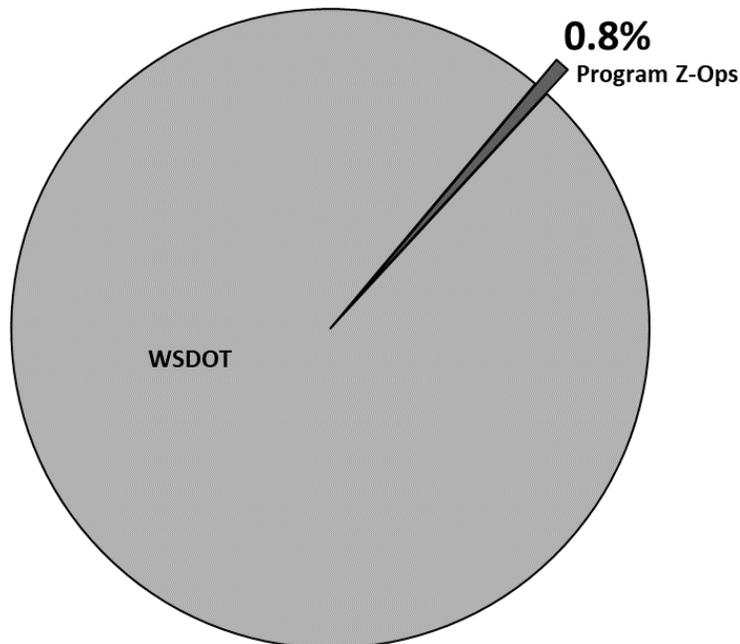
<b>2019 Supplemental Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>2017-19 with 2019 Supplemental Budget</b>	<b>14.05</b>	<b>43.7</b>
<b>Adjustments</b>		
Fuel Rate Adjustment	(0.00)	-
<b>Sum of Adjustments</b>	<b>(0.00)</b>	<b>-</b>
<b>Total Budget</b>	<b>14.05</b>	<b>43.7</b>
Percent Change	0.0%	0.0%
<b>2019-21 Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>Carry Forward Level</b>	<b>13.18</b>	<b>43.7</b>
<b>Adjustments</b>		
County Study Funds	1.14	-
Passenger Ferry Study	0.35	-
Fuel Rate Adjustments	0.00	-
Compensation Adjustments/Union Agreements	0.57	-
<b>Sum of Adjustments</b>	<b>2.06</b>	<b>-</b>
<b>Total</b>	<b>15.24</b>	<b>43.7</b>
Percent Change from 2019 Supplemental Budget	8.5%	0.0%

# Program Z, Local Programs—Operating

The following charts compare the 2017-19 and 2019-21 budgets, display the program's budget as a percentage of the department's total 2019-21 operating budget, and illustrate historical and projected expenditure trends.



**Program Z-Operating Percent of Total WSDOT  
2019-21 Operating Budget of \$2 Billion**



# Capital Programs Budget Overview

## 2019-21 Transportation Capital Budget

The 2019-21 enacted transportation budget results in total capital biennial appropriations of \$4.74 billion. In total, the department's capital appropriations increased by \$749 million over last biennium.

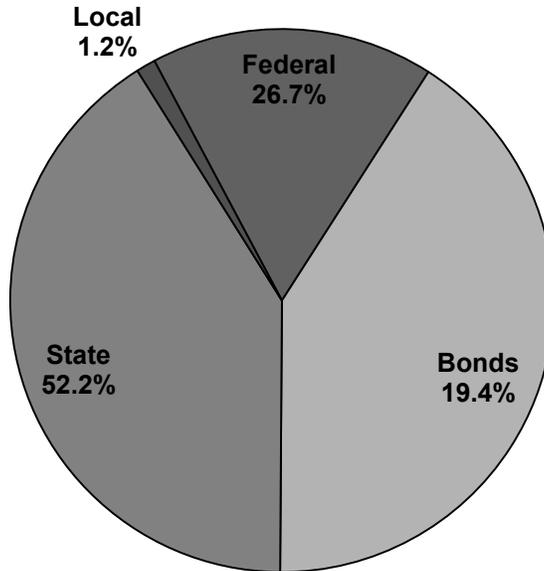
The following table summarizes 2019-21 capital appropriations by program and compares them to 2017-19 biennium, which incorporates 2019 supplemental changes.

### 2019-21 Capital Budget Compared to 2017-19 with 2019 Supplemental in Millions of Dollars

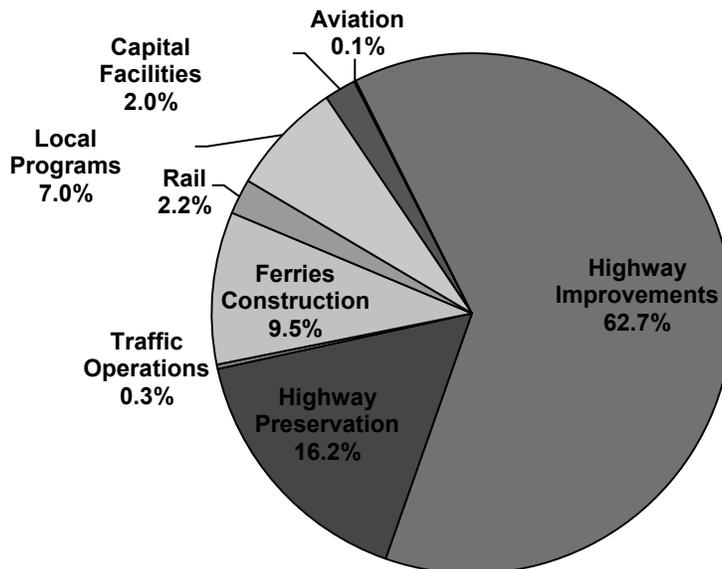
Pgm Code	Program Title	2017-19		2019-21		Change		
		\$	FTEs	\$	FTEs	\$	%	FTE
D	Facilities--Capital	\$ 34.55	7.5	\$ 93.5	7.5	\$ 17.07	49.4%	
F	Aviation--Capital	5.00		\$ 5.0				
I	Highway Improvements	2,218.264	1,204.3	\$2,977.6	1,336.6	132.456	6.0%	2.3
P	Highway Preservation	927.551	795.0	\$ 768.1	863.4	104.059	11.2%	
Q	Traffic Operations--Capital	11.981	10.3	\$ 13.1	10.3	(3.181)	(26.6%)	
W	Ferries--Capital	423.388	125.8	\$ 449.9	164.0	(17.715)	(4.2%)	(0.3)
Y	Rail--Capital	124.238	12.0	\$ 103.9	12.0	(393.781)	(317.0%)	(17.0)
Z	Local Programs--Capital	221.233	-	\$ 334.2	-	191.288	86.5%	
<b>Total Capital</b>		<b>\$3,966.21</b>	<b>2,154.9</b>	<b>\$4,745.3</b>	<b>2,393.8</b>	<b>\$ 30.19</b>	<b>0.8%</b>	<b>(15.0)</b>

# Capital Programs Budget Overview (continued)

## 2019-21 Capital Budget – Sources



## 2019-21 Capital Budget – Uses



# Program D, Facilities – Capital

## Program Description

The Facilities—Capital program responsibilities include replacement, preservation, and improvements to the department’s buildings and related sites. The program focuses on providing an operational, safe, and efficient work environment by preserving the department’s assets. The program completes preservation projects such as roof replacements, site environmental cleanups, and other code compliance requirements for facilities.

## 2019-21 Biennium Budget

The 2019-21 biennial budget totals \$93.5 million, \$42.5 million of which is provided from the Connecting Washington revenue package. The Connecting Washington project is for construction of a new maintenance and administration facility for the Olympic Region.

The following table provides the detail for the 2019-21 budget for Program D.

<b>2019 Supplemental Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>2017-19 with 2019 Supplemental Budget</b>	<b>36.62</b>	<b>7.5</b>
<b>Adjustments</b>		
Capital Projects	(2.07)	-
Capital Projects Reappropriation	-	-
Capital Reappropriation	-	-
<b>Total</b>	<b>34.55</b>	<b>7.5</b>
Percent Change	-5.7%	0%
<b>2019-21 Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>Carry Forward Level</b>	-	-
<b>Adjustments</b>		
Capital Projects	93.49	7.5
<b>Total</b>	<b>93.49</b>	<b>7.5</b>
Percent Change from 2019 Supplemental Budget	170.6%	0.0%

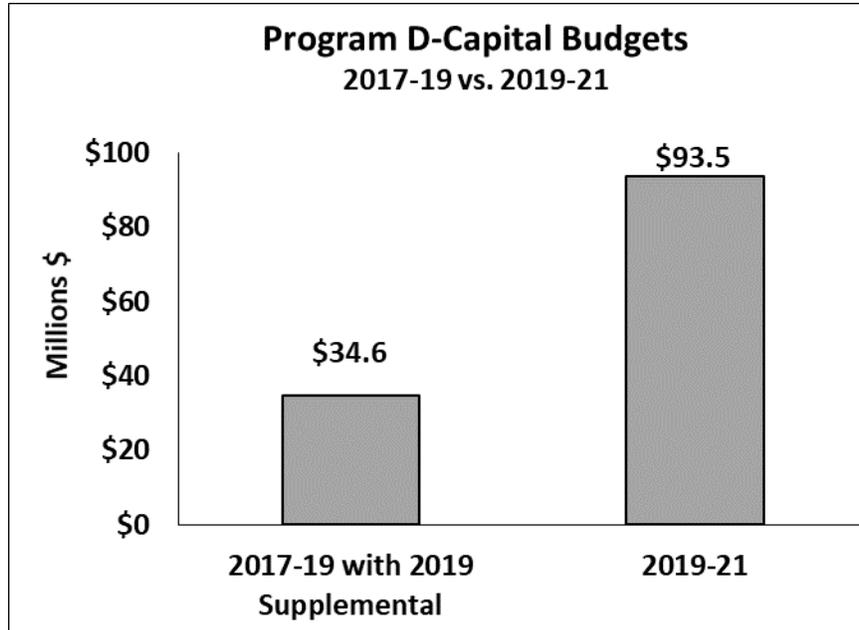
The below table, reported from the Transportation Executive Information System (TEIS), displays the components of the appropriation:

## Facilities Capital Projects in TEIS for 2019-21

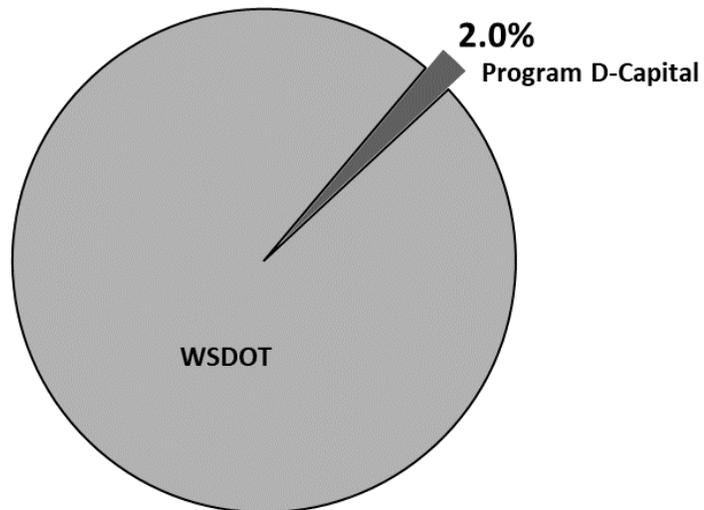
<b>Project</b>	<b>Millions \$</b>
Dayton Ave RHQ - Purchase Furniture	1.565
Statewide Administrative Support	0.979
Perservation and Improvements Minor Works Projects	4.521
NPDES Stormwater Facilities Projects	0.250
Olympic Region Headquarters Facility Site Debt Service	0.575
Olympic Region Maint. and Admin. Facility	42.497
Northwest Region Headquarters Renovation	43.100
	<b>93.487</b>

## Program D, Facilities—Capital

The following charts compare the 2017-19 and 2019-21 budgets, display the program's budget as a percentage of the department's total 2019-21 capital budget, and illustrate historical and projected expenditure trends.



**Program D-Capital Percent of Total WSDOT  
2019-21 Capital Budget of \$4.7 Billion**



# Program I, Highway Improvements

## Program Description

The Highway Improvements Program includes projects that increase the capacity of state highways to move vehicles and freight, correct highway safety deficiencies, and reduce environmental impacts resulting from highway construction projects.

## 2019-21 Biennium Budget

The Highway Improvements Program budget is over \$2.9 billion, with \$154.3 million from federal sources and \$2.1 billion from the Connecting Washington Account. The 2019-21 biennial budget continues progress on certain mega projects and projects of regional significance, such as the Tacoma I-5 HOV, I-5/JBLM Corridor Improvements, SR 167/SR 509 Puget Sound Gateway, SR 99/Alaskan Way Viaduct Replacement, SR 395 North Spokane Corridor, SR 520 Bridge Replacement, and I-405 Corridor Widening Projects.

Connecting Washington funds are provided for numerous projects, as outlined in *LEAP Transportation Document 2019-1 as developed April 27, 2019*. These projects include the following:

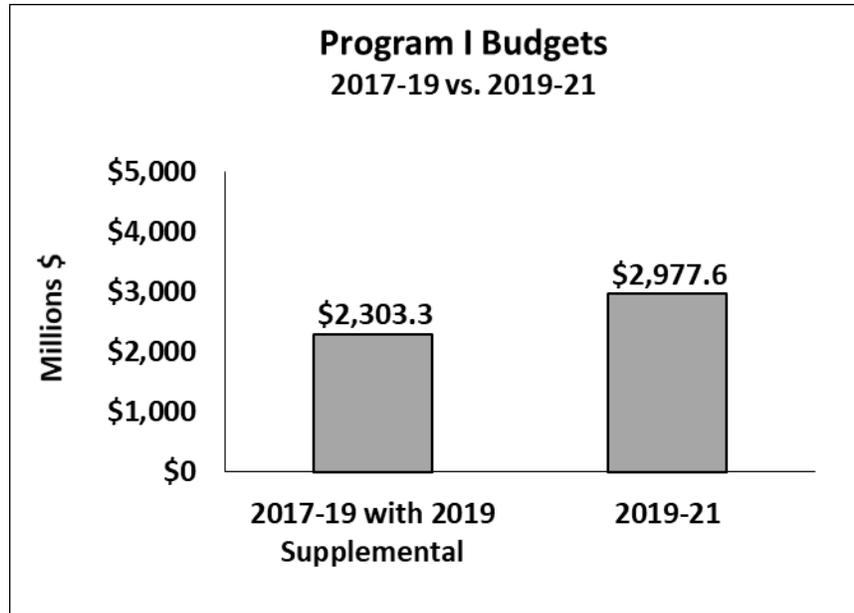
- SR 520 Seattle Corridor Improvements Project,
- I-5 JBLM Corridor Improvements Project,
- SR 167/SR 509 Puget Sound Gateway,
- I-405 Renton to Bellevue – Corridor Widening Project,
- I-5/Marvin Road/SR 510 Interchange, and
- Several projects to remove fish passage barriers.

The following table provides the detail for the 2019-21 biennial budget in Program I.

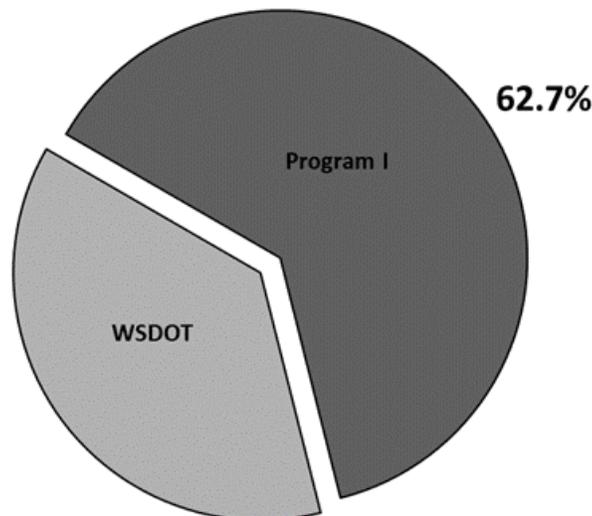
<b>2019 Supplemental Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>2017-19 with 2019 Supplemental Budget</b>	<b>2,488.88</b>	<b>1,204.3</b>
<b>Adjustments</b>		
Capital Project Adjustments	(185.62)	-
<b>Total</b>	<b>2,303.26</b>	<b>1,204.3</b>
Percent Change	-7.5%	0%
<b>2019-21 Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>Carry Forward Level</b>	-	-
<b>Adjustments</b>		
Capital Projects Adjustments	2,942.56	1,336.6
I-5/Columbia River Bridge Office	35.00	-
<b>Total</b>	<b>2,977.56</b>	<b>1,336.6</b>
Percent Change from 2019 Supplemental Budget	29.3%	11.0%

# Program I, Highway Improvements

The following charts compare the 2017-19 and 2019-21 budgets, display the program's budget as a percentage of the department's total 2019-21 capital budget, and illustrate historical and projected expenditure trends.



**Program I Percent of Total WSDOT  
2019-21 Capital Budget of \$4.7 Billion**



# Program P, Highway Preservation

## Program Description

The Highway Preservation Program preserves the structural integrity of the state's highway system. Projects include preservation or rehabilitation of existing roadway pavements, bridges, and other highway structures and facilities.

## 2019-21 Biennium Budget

The 2019-21 Preservation Program's biennial budget is \$768.1 million, with over \$454.7 million in federal funding sources.

The Roadway Preservation Subprogram's budget is nearly \$355 million, which includes \$49 million for concrete roadways, \$109.7 million for asphalt roadways, and \$67.5 million for chip-seal roadways. The total for bridge structure projects is \$258.6 million. These projects address seismically vulnerable bridges, bridge elements in need of repair or replacement.

2019-21 biennial funding for the Preservation Program also includes \$189.8 million of Connecting Washington Account funding for select bridge repair and replacement projects and other highway system preservation projects.

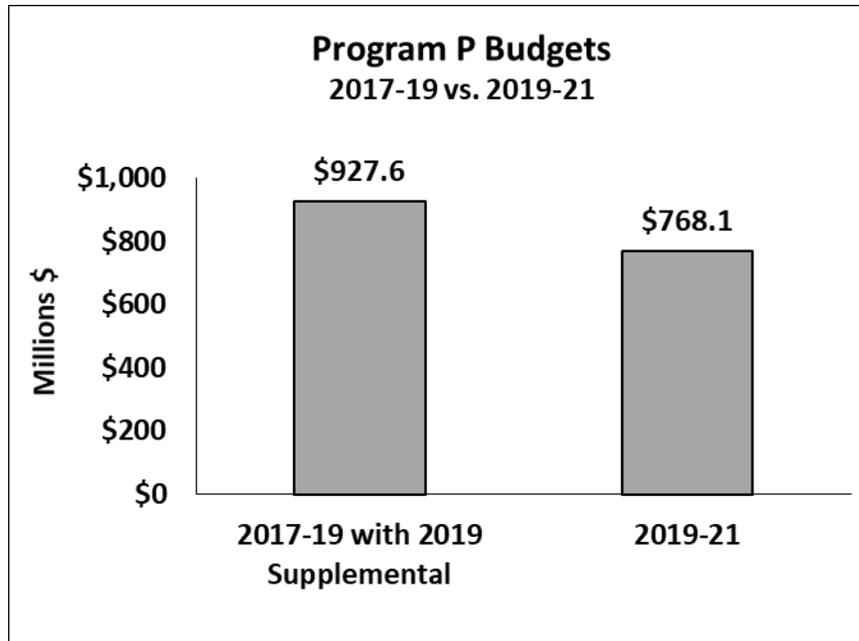
The following table provides the detail for the 2019-21 biennial budget in Program P.

<b>2019 Supplemental Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>2017-19 with 2019 Supplemental Budget</b>	<b>935.83</b>	<b>795.0</b>
<b>Adjustments</b>		
Capital Projects Adjustments	(8.28)	-
<b>Total</b>	<b>927.55</b>	<b>795.0</b>
Percent Change	-0.9%	0.0%

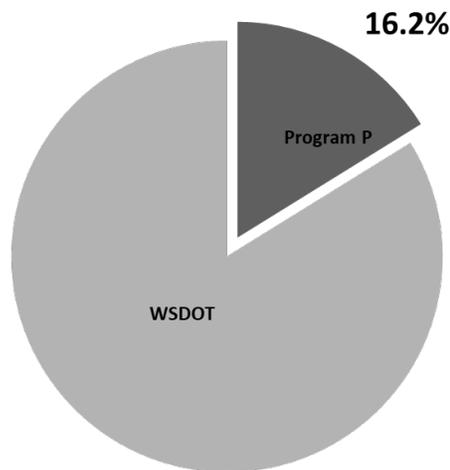
<b>2019-21 Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>Carry Forward Level</b>	<b>-</b>	<b>-</b>
<b>Adjustments</b>		
Capital Projects Adjustments	768.10	863.4
<b>Total</b>	<b>768.10</b>	<b>863.4</b>
Percent Change from 2019 Supplemental Budget	-17.2%	8.6%

# Program P, Highway Preservation

The following charts compare the 2017-19 and 2019-21 biennial budgets, display the program's budget as a percentage of the department's total 2019-21 capital budget, and illustrate historical and projected expenditure trends.



**Program P Percent of Total WSDOT  
2019-21 Capital Budget of \$4.7 Billion**



# Program Q, Traffic Operations – Capital

## Program Description

The Traffic Operations Capital Program delivers Intelligent Transportation System projects that improve commercial vehicle operations, traveler information, and safety and congestion relief by applying advanced technology to transportation systems. Examples include:

- Traffic cameras and flow maps used in local news channels and the department’s web site;
- Variable Message Signs and Highway Advisory Radios used to provide motorists with important information about congestion, incidents, and travel time; and,
- Commercial Vehicle Information System and Networks that use weigh-in-motion scales and transponder readers to electronically screen trucks as they approach a weigh station.

## 2019-21 Biennium Budget

The budget provides appropriations for capital projects that improve commercial vehicle operations, traveler information, and safety and congestion relief by applying advanced technology solutions to transportation.

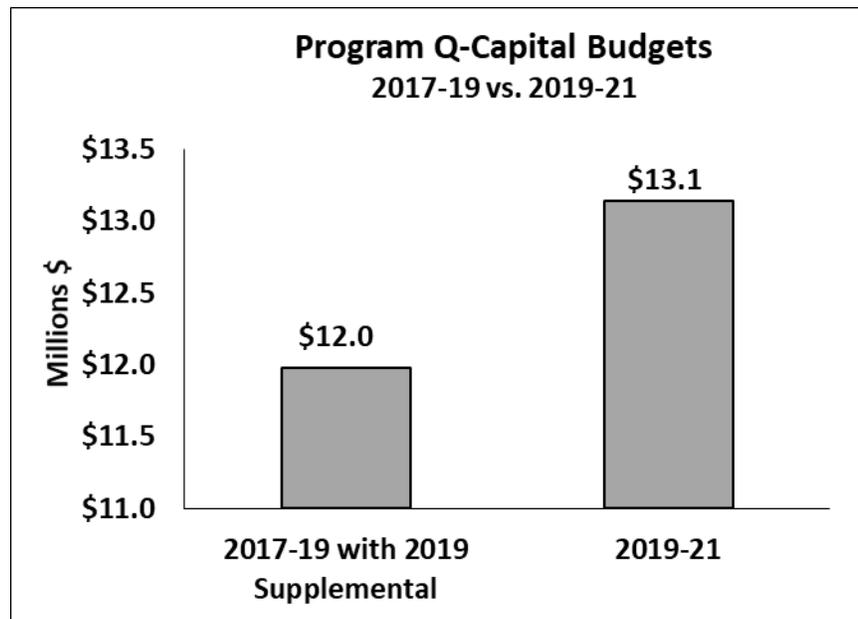
The following table provides the detail for the 2019-21 budget for Program Q – Capital.

<b>2019 Supplemental Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>2017-19 with 2019 Supplemental Budget</b>	<b>12.85</b>	<b>10.3</b>
<b>Adjustments</b>		
Capital Projects Adjustments	(0.87)	-
<b>Total</b>	<b>11.98</b>	<b>10.3</b>
Percent Change	-6.8%	0.0%

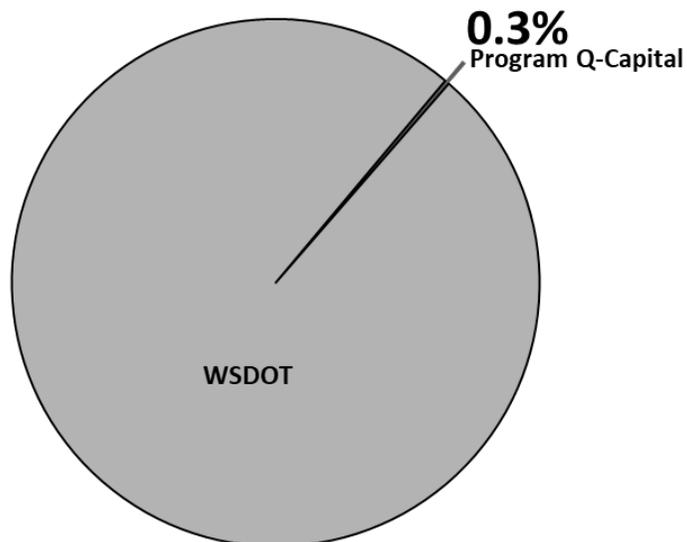
<b>2019-21 Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>Carry Forward Level</b>	<b>-</b>	<b>-</b>
<b>Adjustments</b>		
Capital Projects Adjustments	13.14	10.3
<b>Total</b>	<b>13.14</b>	<b>10.3</b>
Percent Change from 2019 Supplemental Budget	9.7%	0.0%

## Program Q, Traffic Operations – Capital

The following charts compare the 2017-19 and 2019-21 budgets and display the program's budget as a percentage of the department's total 2019-21 capital budget.



**Program Q-Capital Percent of Total WSDOT  
2019-21 Capital Budget of \$4.7 Billion**



# Program W, Ferries – Capital

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## Program Description

The department makes capital investments in the ferry system through the Ferries Capital Program. Capital funds are allocated to preservation and improvement projects that are grouped into three major activity categories: terminal construction, vessel construction, and emergency repairs. The program includes preserving and improving existing ferry terminals and vessels and building new terminals and vessels (which is classified as improvement). The program is responsible for preservation of 19 of its 20 terminals (excludes Sidney, BC), 22 vessels, and the Eagle Harbor Maintenance Facility. A preservation project extends the life of an existing terminal or vessel without significantly changing its use. Preservation projects are based on the ferries life-cycle cost model and are focused on refurbishment or replacement of the systems making up the terminal or vessel. Ferry improvements are based on the ferries long-range plan and provide the infrastructure to increase the capacity of the ferry system; provide ferry riders with connections to alternative modes of travel; address customer needs and service delivery requirements; and generate revenue and cost savings.

## 2019-21 Biennium Budget

The 2019-21 biennial budget provides \$449.9 million for capital investments, which is a 6.3 percent increase in comparison to the Program's second supplemental 2017-19 appropriations. The majority of the 2019-21 budget is to advance terminal projects at Mukilteo and Seattle, and to construct the fourth 144-car ferry. The budget also addresses preservation of existing terminals and vessels and limited improvements to terminals and vessels.

Planned terminal investments of \$224.1 million include:

- Replacement of the Seattle Ferry Terminal;
- Relocation and construction of the new Mukilteo Ferry Terminal;
- Replacement of the pedestrian fixed walkway for passenger overhead loading at the Bainbridge Island Ferry Terminal; and
- ORCA card next generation system update.

Planned vessel investments of \$220.8 million include:

- Acquisition of a 144-car hybrid-electric vessel including design for hybrid vessel and long-lead items for second vessel;
- Conversion of up to two Jumbo Mark II vessels to hybrid-electric propulsion;
- Preservation and improvement work throughout the fleet, including investments in communication, navigation, and life-saving systems, interior spaces, major mechanical and electrical systems, paint protective systems, piping systems, propulsion systems, security systems, and steel structures; and
- Preservation projects committing significant resources to the MVs Wenatchee, Tacoma, Spokane, Puyallup, Yakima, Chelan, Kittitas, Elwha, Issaquah, Cathlamet, and Chimacum.

An appropriation of \$5 million is also provided for emergency repairs of terminals and vessels.

  
Program W has 164 full time equivalent employees.

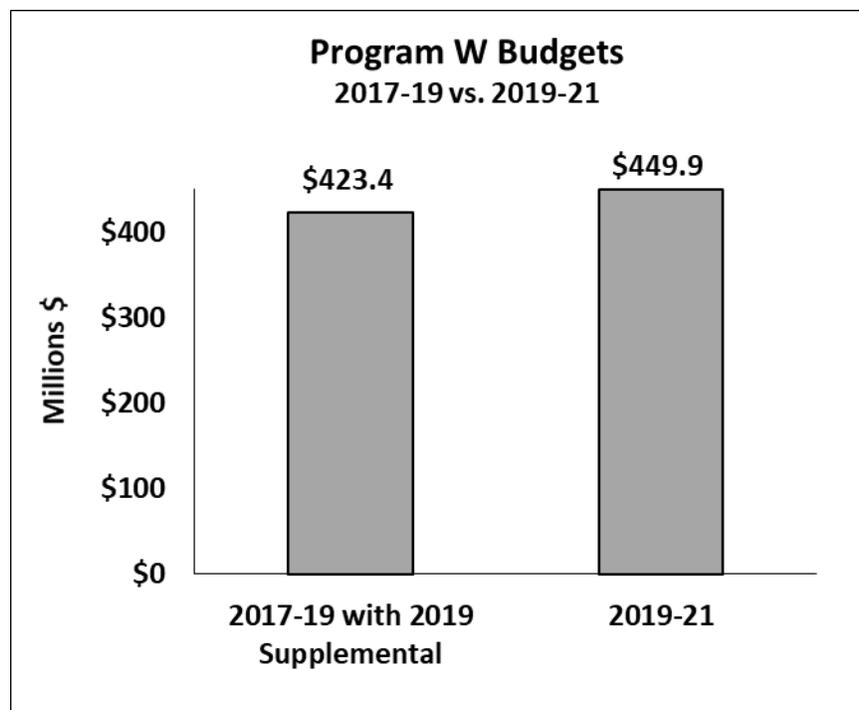
# Program W, Ferries – Capital

The following table provides the detail for the 2019-21 budget for Program W.

<b>2019 Supplemental Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>2017-19 with 2019 Supplemental Budget</b>	<b>451.00</b>	<b>125.8</b>
<b>Adjustments</b>		
Capital Projects Adjustments	(27.61)	-
<b>Total</b>	<b>423.39</b>	<b>125.8</b>
Percent Change	-6.1%	0.0%

<b>2019-21 Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>Carry Forward Level</b>	-	-
<b>Adjustments</b>		
Capital Projects Adjustments	449.88	164.0
<b>Total</b>	<b>449.88</b>	<b>164.0</b>
Percent Change from 2019 Supplemental Budget	6.3%	30.4%

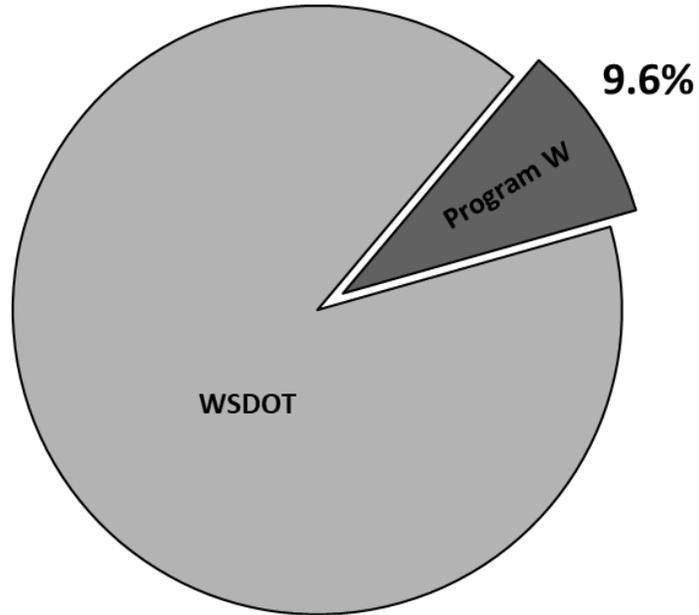
The following charts compare the 2017-19 and 2019-21 budgets and display the program’s budget as a percentage of the department’s total 2019-21 capital budget.



# Program W, Ferries – Capital

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Program W Percent of Total WSDOT  
2017-19 Capital Budget of \$4.7 Billion



# Program Y, Rail – Capital

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## Program Description

The Rail program provides capital project management and support through coordination, planning, and administration of Washington State passenger rail and freight rail capital projects. The program is responsible for investments to maintain and improve operation of the state-sponsored Cascades Corridor rail passenger program, track improvements, and acquisition of passenger rail equipment. Provides capital investment to the Washington State owned Palouse River and Coulee City (PCC) rail system in support of safe, efficient operations, and economic development. The program also provides and manages grants and loans for investments to preserve and improve Washington's freight rail service.

## 2019-21 Biennium Budget

The 2019-21 biennial budget provides a combined total of \$103.9 million for passenger and freight rail project funding, equipment purchases, and administrative support.

### Rail Passenger

The Rail Passenger sub-program has been provided \$33.9 million in spending authority this biennium. The authority will be used for a variety of purposes including but not limited to post 2017 Point Defiance derailment corrective actions, locomotive overhauls, new passenger equipment replacement, slide prevention and repairs, rail station relocations (Tacoma, WA), etc.

Passenger Rail capital projects include:

- Passenger Rail Equipment Replacement Insurance - \$10 million
- Existing Passenger Rail Equipment Compatibility and Reliability - \$9.5 million
- Cascades Corridor Slide Prevention and Repair - \$6.6 million
- Point Defiance Bypass Revenue Service - \$4 million
- Locomotive Service Equipment and Overhaul - \$2.5 million
- Operational Modifications after new Service Launch - \$750,000
- State Corridor Safety and Positive Train Control Compliance - \$500,000

### Rail Freight

The Rail Freight sub-program has been provided \$70 million in spending authority this biennium to invest in capital freight rail projects.

Funding for the largest-dollar-value capital projects will go towards:

- Providing rail service to certain sections of the City of Moses Lake and Grant County International Airport (GCIA) - \$14.5 million
- Palouse River and Coulee City railroad (PCC) track rehabilitation - \$12.7 million
- South Kelso railroad crossing construction - \$11.6 million
- Connell Rail Interchange pinch point resolution - \$9 million

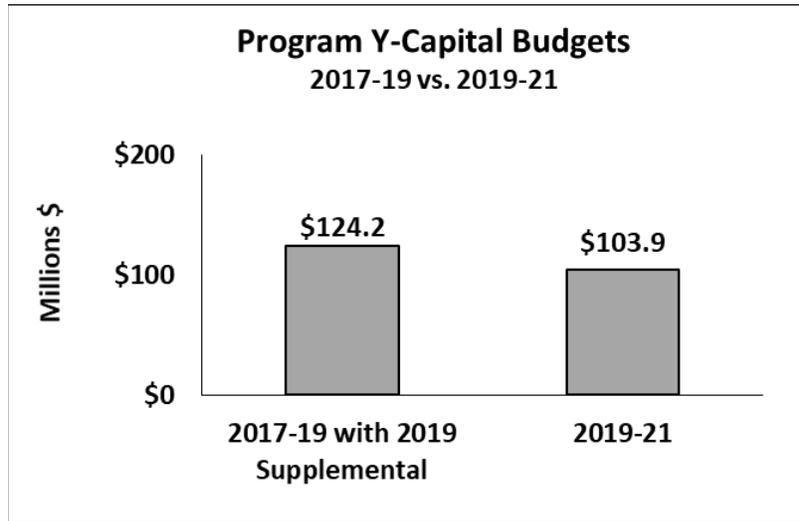
In addition to the above capital investments, the Rail Freight subprogram also manages the Freight Rail Assistance Program (FRAP) grant program, providing \$8.3 million in assistance to both the public and private sectors this biennium. Moreover, Rail Freight has budgeted \$7.1 million for the Freight Rail Investment Bank (FRIB) program, which is a loan program solely for the public sector.

# Program Y, Rail – Capital

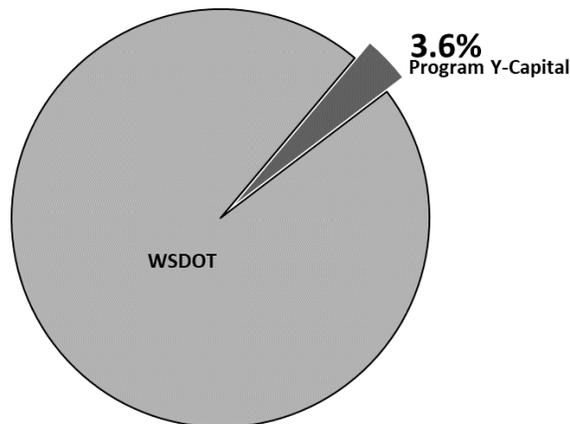
The following table provides the detail for the 2019-21 budget for Program Y - Capital.

2019 Supplemental Budget Detail	Millions \$	FTE
2017-19 with 2019 Supplemental Budget	147.59	12.0
<b>Adjustments</b>		
Capital Project Adjustments	(23.35)	-
<b>Total</b>	<b>124.24</b>	<b>12.0</b>
Percent Change	-15.8%	0.0%
2019-21 Budget Detail	Millions \$	FTE
Carry Forward Level	-	-
<b>Adjustments</b>		
Capital Projects Adjustments	103.88	12.0
<b>Total</b>	<b>103.88</b>	<b>12.0</b>
Percent Change from 2019 Supplemental Budget	-16.4%	0.0%

The following charts compare the 2017-19 and 2019-21 budgets and display the program’s budget as a percentage of the department’s total 2019-21 capital budget.



**Program Y-Capital Percent of Total WSDOT  
2019-21 Capital Budget of \$4.7 Billion**



# Program Z, Local Programs – Capital

## Program Description

The Local Programs—Capital Program is responsible for the administration of the Local Agency Federal Aid Program that provides approximately \$574 million in federal financial assistance, \$278 million in state funds, and \$21.5 million in private/local funds to cities, counties, ports, tribal governments, transit systems, and metropolitan and regional planning organizations statewide for approximately 1,000 local transportation improvement projects.

## 2019-21 Biennium Budget

This budget continues funding for the Pedestrian and Bicycle Safety Program that support safety projects such as pedestrian paths, bicycle paths, and sidewalks. Funding is also provided for the Safe Routes to School program that provides safe routes from residential areas to schools and transit facilities on state highways, city streets, and county roads.

The 2019-2021 budget also provides funding for local priority projects, as outlined in *LEAP Transportation Document 2019-2: All Projects*.

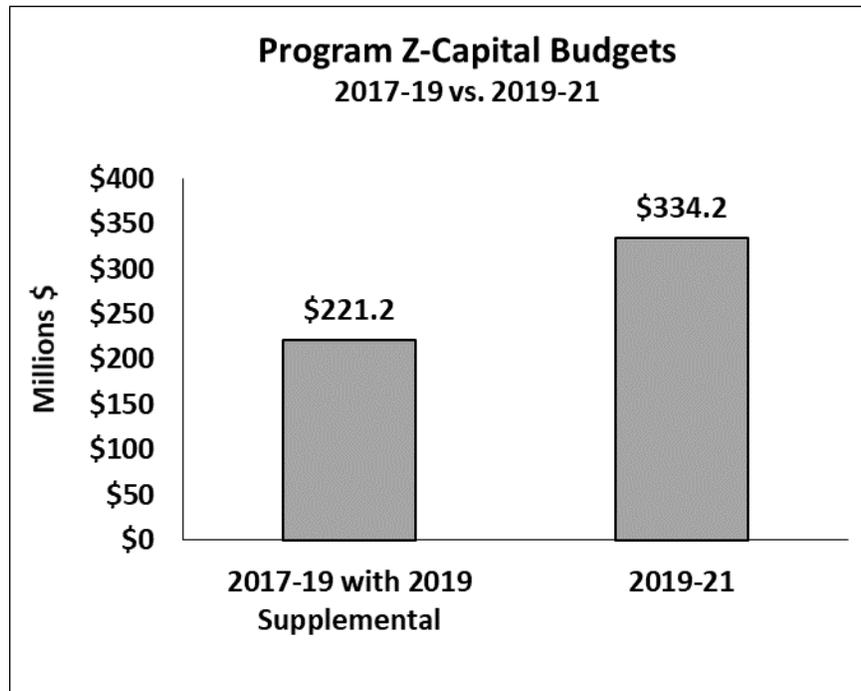
The following table provides the detail for the 2019-21 budget for Program Z.

<b>2019 Supplemental Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>2017-19 with 2019 Supplemental Budget</b>	<b>346.22</b>	-
<b>Adjustments</b>		
Capital Projects Adjustments	(124.99)	-
<b>Total (appropriated funds only)</b>	<b>221.23</b>	-
Percent Change from Current Biennium	(0.36)	

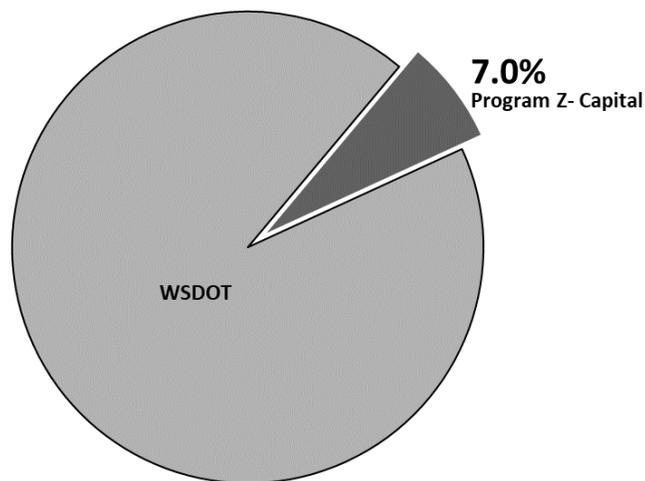
<b>2019-21 Budget Detail</b>	<b>Millions \$</b>	<b>FTE</b>
<b>Carry Forward Level</b>	-	-
<b>Adjustments</b>		
Capital Projects Adjustments	334.24	-
<b>Total</b>	<b>334.24</b>	-
Percent Change from 2019 Supplemental Budget	0.51	

## Program Z, Local Programs—Capital (continued)

The following charts compare the 2017-19 and 2019-21 budgets, display the program's budget as a percentage of the department's total 2019-21 capital budget, and illustrate historical and projected expenditure trends.



**Program Z-Capital Percent of Total WSDOT  
2019-21 Capital Budget of \$4.7 Billion**



# Sources and Uses of Funds

This section describes the sources and uses of funds available to WSDOT. Detailed information is provided in support of the 2019-21 enacted transportation budget, as well as projections supporting the ten-year capital plan.

## Sources of Funds

Transportation expenditures are funded from a variety of sources. State transportation taxes and fees, ferry fares, toll revenues, bond proceeds, local funds, and federal funds are all used to fund state transportation projects and programs. These funds are available to be appropriated by the Legislature to fund WSDOT's and other transportation agencies' budgets. Not all of the projected transportation revenue is available for spending. Bond sales are used to fund a significant number of WSDOT's capital projects. Long-term borrowing requires a portion of the state fuel tax and other revenues to be set aside to pay debt service.

## State Transportation Taxes, Fees, and Fares

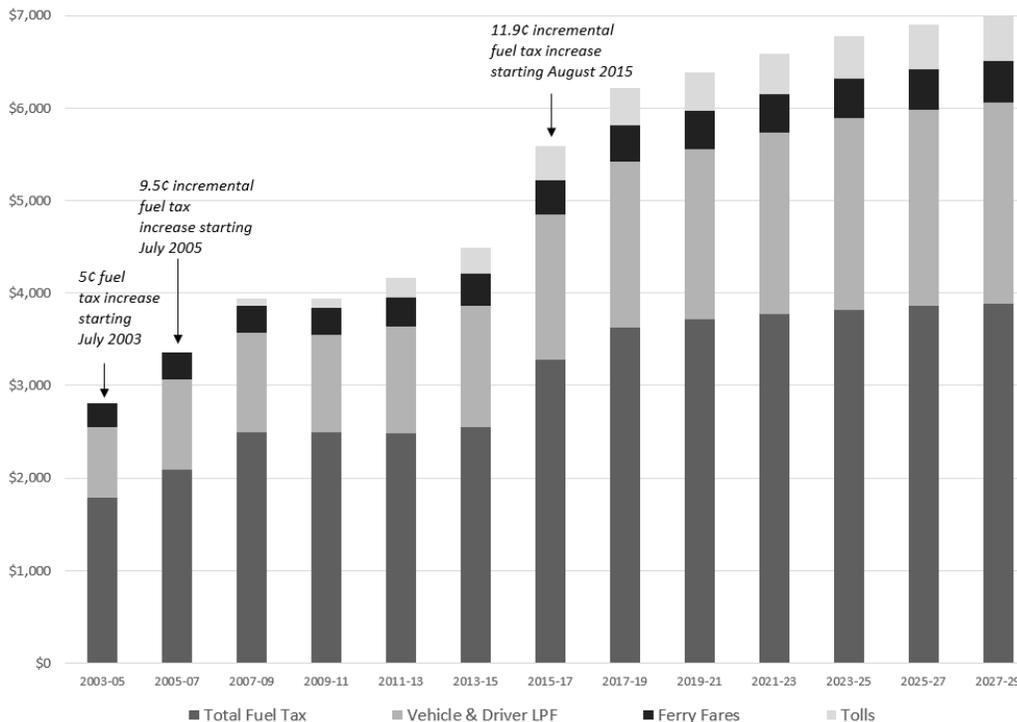
The major sources of state revenue supporting transportation expenditures come from:

- Fuel taxes
- Licenses, permits, and fees
- Tolls
- Ferry fares

These revenue sources are deposited into various state treasury accounts as directed by law. The Legislature then appropriates funds from these accounts.

The following chart shows the history as well as the projected major revenue sources from fiscal years 2004 through 2029.

**Major Sources of Transportation Revenue • Historical and Projected**



Based on the June 2019 Washington State Transportation Economic & Revenue Forecast

# Sources and Uses of Funds

## Transportation Funds

### Fuel Tax

The 18<sup>th</sup> Amendment of the Washington State Constitution requires that revenue from fuel tax must be placed into a special fund and used for highway purposes, which include expenditures by the Washington State Ferries.

Prior to 2003, the gas tax was 23¢, of which 12¢ was distributed to the state and 11¢ was distributed to cities and counties. In 2003, as part of the 2003 transportation-funding package, the Legislature increased the fuel tax rate by 5¢. The 2005 Legislature further increased the fuel tax by 9.5¢ per gallon incrementally, from 2005 to 2008 as part of the 2005 transportation-funding package. In 2015, the Legislature increased the fuel tax by 11.9¢ – 7.0¢ in August 2015 and 4.9¢ in July 2016, bringing the state’s fuel tax rate to 49.4¢. Revenues from these funding packages are used for specific projects and investments identified by the Legislature.

#### Distribution of Fuel Taxes for 2019-21

<b>Distributions to WSDOT</b>			
<i>dollars in millions</i>			
Motor Vehicle Account	10.21¢	\$705.4	21.0%
Connecting Washington	11.90¢	\$810.0	24.1%
2003 Transportation (Nickel) Account	8.50¢	\$340.3	10.1%
Transportation Partnership Account	5.00¢	\$578.6	17.2%
Special Category C Account	0.75¢	\$51.1	1.5%
Ferries	1.08¢	\$92.5	2.7%
<b>Total WSDOT Distributions</b>	<b>37.44¢</b>	<b>\$2,577.9</b>	<b>76.7%</b>
<b>Distributions to Local Governments</b>			
Transportation Improvement Board	3.05¢	\$209.2	6.2%
Cities	1.03¢	\$195.8	5.8%
County Road Administration Board	2.96¢	\$70.3	2.1%
Counties	4.92¢	\$309.4	9.2%
<b>Total Local Governments</b>	<b>11.96¢</b>	<b>\$784.7</b>	<b>23.3%</b>
<b>Total Distributions</b>	<b>49.40¢</b>	<b>\$3,362.6</b>	<b>100.0%</b>

The fuel tax is expected to generate nearly \$3.4 billion in the 2019-21 biennium. WSDOT’s budget is supported by about 37.4¢ of the total (49.4¢) fuel tax, less the amount needed for debt service on bond sales. The remaining portion (approximately 12¢) goes to local governments for use on city streets and county roads.

### Nickel Funding Package (2003 Funding Package)

Enacted by the 2003 Legislature, this package included a 5¢ fuel-tax increase and various increases to weight fees and other fees. Specific projects funded by this package include:

- Alaskan Way Viaduct design
- SR 520 Bridge design
- Construction of a ferry and terminal improvements
- Projects for congestion relief and improved safety
- Other projects throughout the state

# Sources and Uses of Funds

## Transportation Funding Package (2005 Funding Package)

Enacted by the 2005 Legislature, this package included a 9.5¢ fuel-tax increase, phased in over four years, and various increases to weight fees and other fees. Specific projects funded by this package include:

- The Alaskan Way Viaduct
- SR 520 Bridge design and construction
- Central Puget Sound bridge seismic retrofit
- Projects for congestion relief and improved safety
- Other projects throughout the state

## Connecting Washington (2015 Funding Package)

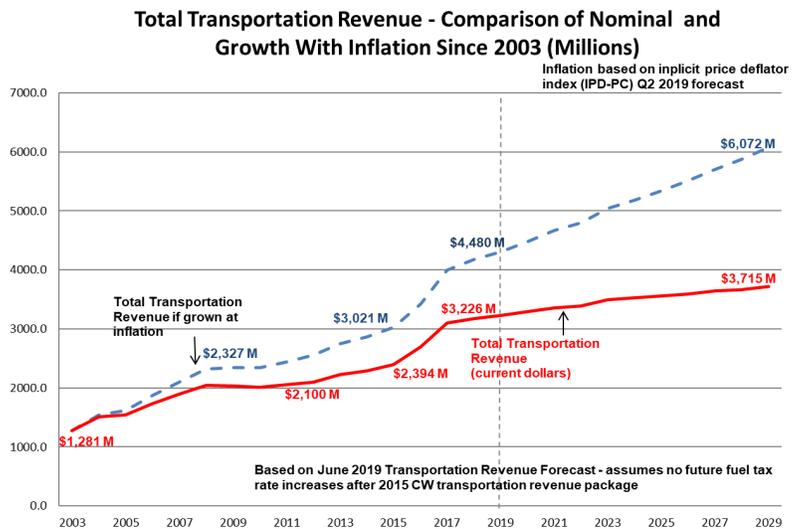
Enacted by the 2015 Legislature, this package included an 11.9¢ fuel-tax increase, phased in over two years, and various increases to weight fees and other fees. Specific projects are funded by this package and include:

- SR 167/SR 509 Puget Sound Gateway
- SR 520 Westside project
- I-405 Renton to Lynnwood
- Highway system
- US 395 North Spokane Corridor
- Other projects throughout the state

## Effects of Inflation on Fuel Tax

Because the fuel tax is levied on a gallon basis rather than on dollar per gallon, changes in consumption patterns can affect receipts regardless of the price of the fuel. For example, if price increases reduce demand for fuel, tax receipts will fall even if the total value of the fuel sold goes up. The opposite may also occur.

The chart to the right shows how inflation affects the ability to fund transportation systems. Even with the addition of the Nickel fuel tax rate increase in 2003, the 9.5¢ Transportation Partnership Act (TPA) package increase from 2005 through 2008, and the recent 11.9¢ (7¢ in August 2015 and 4.9¢ in July 2016) increase, our fuel tax revenue in real 2003 dollars has been declining and not keeping up with inflation, based on the changes in the construction cost index. Currently, our real fuel-tax rate in 2003 dollars is at 36.3¢ and will continue to decline to 28.7¢ by 2029.



# Sources and Uses of Funds

## Licenses, Permits, and Fees

Licenses, permits, and fees are the second largest source of revenue for transportation. These funds primarily come from new and renewal vehicle registration fees and license fees for cars and trucks based on weight. Other fees include vehicle inspection fees, title fees, and special permits.

In the 2019-21 biennium, licenses, permits, and fees are expected to generate approximately \$1.9 billion. Approximately 60 percent is distributed to WSDOT accounts; about 40 percent is distributed to the Washington State Patrol; Department of Licensing, Highway Safety, and other accounts.

## Bond Proceeds, Debt Service, and Certificates of Participation

Bond financing is an important component in funding the capital program. This funding instrument obligates a portion of future state tax revenues for debt service, making the revenues unavailable for cash financing of projects. Bonds do not create new funds, but instead allow funds to be available for projects sooner. Most state transportation bonds are referred to as double-barreled bonds. They are obligation bonds secured by the motor vehicle fuel tax and then the full faith and credit of the state. Debt service is paid directly from motor vehicle fuel tax receipts.

The use of bond financing for transportation projects follows a rigorous legal process. The Legislature must enact a statute authorizing the sale of bonds for a specific purpose, and then appropriate the bond amount before it can be spent. Bonds are issued by the State Finance Committee, which consists of the Governor, the Lieutenant Governor, and the State Treasurer.

The 2003 and 2005, Transportation Funding Packages are dependent on bond financing. Ultimately, the motor vehicle fuel tax component for both of these packages will be completely leveraged to pay debt service. The 2003 Transportation Funding Package contained two bond authorizations, one for motor vehicle fuel tax bonds, and one for state various purpose general obligation bonds. The 2005 Transportation Funding Package contained a motor vehicle fuel tax bond authorization. The proceeds from each package's motor vehicle fuel tax bonds are used to fund highway projects. The proceeds from the state various purpose general obligation bonds are to be used to fund rail, ferry terminals, and local road projects.

In 2009, the Legislature authorized \$1.95 billion in bonds to support State Route (SR) 520 Corridor projects. No additional bonds are anticipated to be sold under this bond authorization.

The 2015 Legislature authorized \$5.3 billion in bonds for Connecting Washington projects. Vehicle related fees will be pledged as part of the Connecting Washington Bonds. The first bond sale for Connecting Washington projects is planned for the 2019-21 biennium.

Distribution of Licenses, Permits, and Fees for 2019-21  
Dollars in Millions

Distributions to WSDOT *		Distribution Percentage
Motor Vehicle Fund	526.1	27.6%
Puget Sound Ferry Operations Account	19.5	1.0%
Transportation 2003 (Nickel) Account	92.3	4.8%
Transportation Partnership Account	62.2	3.3%
RV Disposal Fee Account	1.6	0.1%
Multiuse Roadway Safety Account	0.3	0.0%
Capital Vessel Replacement Account	52.5	2.8%
Multimodal Fund	360.3	18.9%
Electric Vehicle Account	19.1	1.0%
Freight Mobility Multimodal Account	6.0	0.3%
Abandoned RV Disposal Account	3.1	0.2%
<b>Total Distribution WSDOT</b>	<b>1,143.0</b>	<b>60.0%</b>
<b>Distributions to Other Government Agencies</b>		
Washington State Patrol Account	426.0	22.4%
DOL Services Account	7.4	0.4%
Rural Arterial Trust	0.9	0.0%
Transportation Improvement Board	0.9	0.0%
License Plate Technology Account	3.7	0.2%
Highway Safety Fund	279.6	14.7%
Motorcycle Safety Education Account	5.0	0.3%
State Patrol Account/Driving Records	30.4	1.6%
Ignition Interlock Device Revolving Account	8.1	0.4%
<b>Distributions to Other Government Agencies</b>	<b>762.1</b>	<b>40.0%</b>
<b>Total State Distribution</b>	<b>1,905.1</b>	<b>100.0%</b>

\* Amounts are net of transfers for Capron and other non WSDOT accounts  
Based on the June 2019 Transportation Revenue Forecast

# Sources and Uses of Funds

The 2019 Legislature authorized \$1.16 billion in bonds for the I-405/SR 167 Corridor and \$340 million in bonds for the Puget Sound Gateway Program, for a total of \$1.5 billion. The bonds are authorized as triple pledge bonds, first paid from toll revenue, and then backed by a pledge of fuel tax and vehicle-related fee revenues and the full faith and credit of the state.

The following table displays the appropriated bond proceeds from the enacted 2019-21 Budget and the remaining authorization at the end of the 2019-21 biennium.

## Bond Sale History, and Remaining Bonding Authority

dollars in millions

Bond Authorization (Authorization based on Par Values)	Total Authorization	Remaining Authorization as of June 30, 2019	Bonds Authorized for 2019-21 Biennium	Remaining Authorization as of June 30, 2021
<b>Referendum 49 Bonds</b> <i>RCW 47.10.843</i> State and Local Highway Improvements	\$1,900.0	\$30.5	\$0.0	\$30.5
<b>Transportation 2003 (Nickel) Account</b> <i>RCW 47.10.861</i> Highway Improvements	\$3,200.0	\$212.5	\$0.0	\$212.5
<b>Multimodal Bonds (GO Bonds)</b> <i>RCW 47.10.867</i> Multimodal Transportation Projects	\$249.5	\$38.1	\$25.0	\$13.1
<b>Transportation Partnership Account</b> <i>RCW 47.10.873</i> Highway Improvements	\$5,300.0	\$1,375.5	\$327.2	\$1,048.3
<b>Connecting Washington Account</b> <i>RCW 47.10.889</i> Highway Improvements	\$5,300.0	\$5,300.0	\$1,519.9	\$3,780.1
<b>Special Category C</b> <i>RCW 47.10.812</i> Highway Improvements	\$600.0	\$225.8	\$75.3	\$150.5
<b>Subtotal</b>		\$7,182.4	\$1,947.4	\$5,235.0
<b>SR 520 Floating Bridge Bonds</b> <i>RCW 47.10.879</i> SR 520 Floating Bridge Bonds - State SR 520 Floating Bridge Bonds - GARVEE	\$1,650.0	\$254.5	\$0.0 \$0.0	\$254.5
*SR 520 Floating Bridge Bonds - TIFIA*	\$300.0	\$0.0	\$0.0	\$0.0
<b>I-405 and Gateway Toll Bonds</b> <i>RCW 47.10.896</i> I-405 and SR 167 Toll Bonds Puget Sound Gateway Bonds	\$1,160.0 \$340.0	\$1,160.0 \$340.0	\$0.0 \$0.0	\$1,160.0 \$340.0
<b>Total</b>		\$8,937.0	\$1,947.4	\$6,989.6

Bonds sold and bond sale plans reflect par amounts.

\*The agreement for the TIFIA loan (considered part of the bond authorization) was signed in October 2012.

# Sources and Uses of Funds

## Debt Service

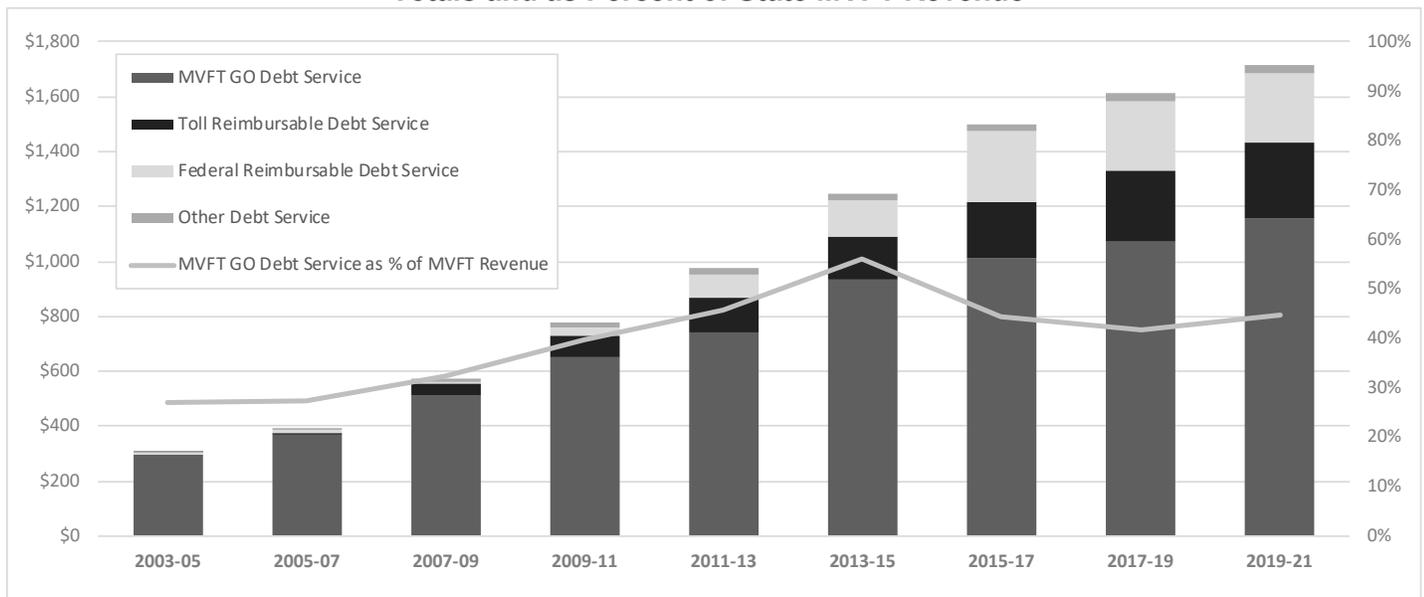
Over the past decade, Washington has significantly increased its reliance on motor fuel tax bonds to support legislative spending plans associated with fuel-tax increases. Leveraging revenues from the fuel-tax increases of the 2003 Nickel Act and the 2005 Transportation Partnership Act increased the state's annual motor fuel tax bond issuance from \$65 million in the 1990s to over \$600 million by 2013. In 2015, the Legislature approved further increases in fuel taxes in the Connecting Washington Transportation Package and directed these revenues to specific capital projects.

In the 2013-15 biennia, debt service on motor vehicle fuel tax bonds rose to approximately \$1 billion, representing 52 percent of state transportation revenues, and nearly half of pledged motor vehicle fuel tax revenues. This is more than double the \$386 million paid with 24 percent of motor vehicle fuel tax revenues in the 2005-07 biennium. In 2015-17 biennia, the percentage of fuel tax revenues leveraged declined as revenue increased with the Connecting Washington fuel tax increases and the addition of vehicle-related license fees to revenues pledged to new bonds.

Triple Pledge bonds are motor fuel tax bonds that are first paid from toll revenue as part of the financing for the SR 520 Corridor, and include a pledge of fuel-tax revenues and the full faith and credit of the state. In addition, the state has issued two forms of transportation bonds that are not backed by the general obligation pledge:

- (1) Federal Highway Grant Anticipation Revenue Bonds (GARVEE bonds) are secured solely by funds received from the Federal Highway Administration. The SR 520 Corridor Program is the only program for which the Legislature has authorized issuance of GARVEE bonds.
- (2) The TIFIA bond is a drawdown loan from the Federal Highway Administration, which is paid solely from SR 520 toll revenues.

**Motor Vehicle Fuel Tax (MVFT) GO Debt Service:  
Biennia 2003-05 to 2019-21 (\$ Millions)  
Totals and as Percent of State MVFT Revenue\***



\*Other Debt Service includes various purpose debt service out of the Multimodal Transportation Account and debt service for ferry construction reimbursed with ferry fares.

# Sources and Uses of Funds

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## Ferry Fares

Washington State Ferry fares and other miscellaneous ferry revenues are used for ferry operations. Ferry fare revenues are assumed to include a 2.5 percent annual fare increase each October from 2019 to 2028 (based on June 2019 Alternative Forecast), rounded up to the nearest nickel. This results in slightly increasing real fares over time given the current projection for inflation. Direct distributions from the motor-fuel tax and licenses, permits, and fees revenue, as well as transfers from other transportation accounts, are used to augment ferry fares and miscellaneous ferry revenues to round out the ferry capital and operating budgets. The Legislature enacted a 25¢ per passenger fee starting in October 2011 to help with the funding of new 144-car ferry vessels. In the spring of 2019, the Washington State Legislature passed the 2019-21 biennium budget that includes bond funding for a new electric ferry. An additional fare surcharge of \$0.15, for a new total surcharge of \$0.40, was assumed to be effective May 1, 2020 to pay the debt service on the bonds. The Washington State Transportation Commission sets ferry fares and was directed by the Legislature to increase the capital surcharge in an amount sufficient to pay for the new bonds.

## Toll Revenues

Toll revenues are used for costs that contribute directly to the financing, operation, maintenance, management, and necessary repairs of the tolled facility. The Washington State Transportation Commission sets toll rates. Currently, the state of Washington is collecting tolls on three facilities:

1. Tacoma Narrows Bridge
2. I 405 and SR 167 Express Toll Lanes
3. SR 520 Corridor Project

The state expects to collect tolls on the Alaska Way Viaduct (SR 99 tunnel) in the 2019-21 biennium.

## Local Funds

The department will sometimes perform work on the state highway system at the request of local governments. In most instances, local governments reimburse the state for all or a part of the costs.

## Federal Funds

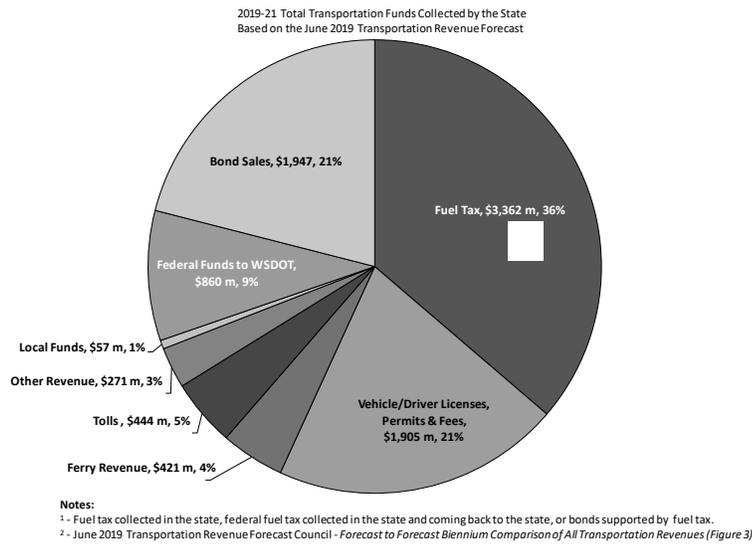
The federal government provides significant financial assistance to the state of Washington for transportation programs. Most federal assistance is authorized through federal-aid highway acts. A line of credit for the state is created that is apportioned or allocated by the Federal Highway Administration. The state obtains obligation of these funds based on its spending plans and is reimbursed when it incurs federally eligible costs. On December 4, 2015, President Obama signed into law a new transportation reauthorization bill, Fixing America's Surface Transportation (FAST) Act, providing a five-year extension of the federal surface transportation programs. The FAST Act provides over \$305 billion of funding for Federal-aid transportation programs for federal fiscal years 2016 through 2020.

The federal funding levels, assumed in the department's 2019-21 biennial budget request, are based on the Transportation Revenue Forecast Council's June 2019 Federal Forecast and preliminary information based on discussions held during the Governor's FAST act workgroup. The FAST act is forecasted to provide over \$300 million in additional apportionment to the state over the five years of the act.

# Sources and Uses of Funds

## How is the Enacted Transportation Budget Funded?

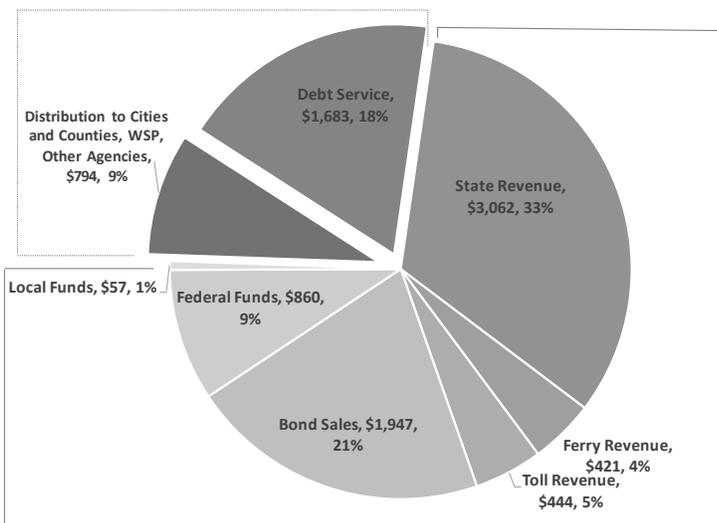
Funding for the Transportation budget comes from multiple sources. The two major sources are the fuel tax and licenses, permits, and fees. Funding also comes from ferry fares and concessions, rental car taxes, tolls, and miscellaneous revenues, which include interest earnings. Funds also come from bond sales, federal funds, local funds, and remaining cash balances from previous years.



## Distribution of Funds

Though the state collects the motor vehicle fuel tax and licenses, permits, and fees, a portion of these funds are distributed to cities and counties. These statutory distributions, along with appropriations to other agencies, refunds, transfers, and debt service are shown in the dotted line area of the pie chart below. The portion of the chart outlined with the solid line is assumed to be available for the enacted 2019-21 operating and capital budgets.

## 2019-21 Enacted Budget: WSDOT's Funds by Source; Allocated to Operating



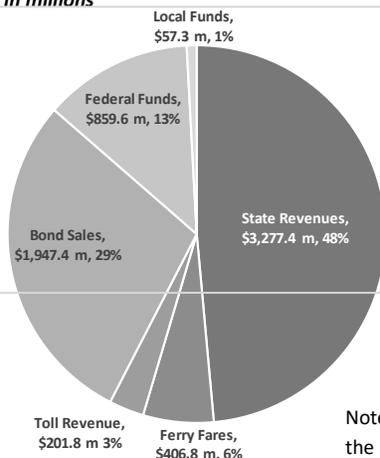
# Sources and Uses of Funds

## Expenditures and Capital Investment

The charts below summarize the 2019-21 enacted budget. Expenditures reflect the appropriations for operating and capital programs for the department and do not include appropriations for other transportation related accounts.

### 2019-21 Enacted Budget Funding Sources

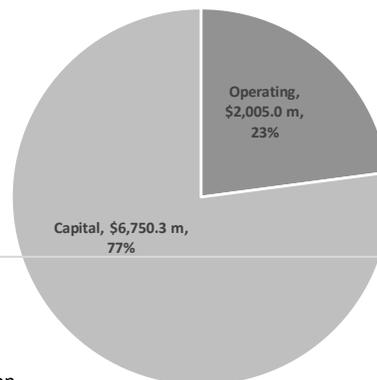
Dollars in millions



Note: The enacted current-law budget is based on the March 2019 Transportation Revenue Forecast.

### 2019-21 Capital and Operating

Dollars in millions



## Revenue and Fund Risks

A summary of transportation sources and uses provides insight into how transportation funds are used; however, certain risks exist to revenue availability and project costs.

- Transportation funds have not yet been collected; actual receipts of transportation taxes (e.g. motor fuel taxes, and licenses, permits, and fees) may be lower than current projections.
- Federal receipts could fall short of projections or Congress could fail to fund the Highway Trust Fund at current or forecasted levels.
- Customers could be more sensitive to economic conditions, which would affect ferry fares and tolls.
- Revenues may be impacted by changes in law, either through legislative action or through the initiative process.
- Project cost increases may occur due to cost escalation of petroleum-based products, steel, and other materials.
- Higher than expected interest rates for bond sales may cause increases to future projected debt service obligations.
- Toll revenue may be received at levels lower than forecasted.

# Appendix A – Glossary

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## **Appropriation**

A legislative authorization to make expenditures and incur obligations for specific purposes from designated resources available or estimated to be available during a specified period. Only the Legislature can make appropriations in Washington State.

## **Biennium**

A 24-month period extending from July 1 of an odd-numbered year to June 30 of the next odd-numbered year to which the appropriation legislation applies. For example, the 2019-21 biennium extends from July 1, 2019, to June 30, 2021.

## **Bond**

A debt instrument issued through a formal legal procedure and secured either by the pledge of specific properties or revenues or by the general credit of the state.

## **Budget**

A plan of financial operations embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

## **Carry Forward Level**

Current biennium appropriations, plus biennialization of legislatively directed workload and service changes, and deletion of costs that the Legislature considered non-recurring.

## **Connecting Washington Account**

An account established in the 2015 Legislative Session that may be used only for projects or improvements identified as Connecting Washington projects or improvements in a transportation appropriations act, including any principal and interest on bonds authorized for the projects or improvements. May not be expended on the State Route (SR) 99 Alaskan Way viaduct replacement project.

## **Current Law Budget (CLB)**

As required by state law, the department's proposal, which can be funded within existing and/or reasonably assumed resources.

## **Decision Package**

A document used to express a specific action or policy proposed for implementation in the ensuing biennium that changes the carry forward level.

## **Fiscal Year**

A 12-month period extending from July 1 in one calendar year to June 30 of the next calendar year. For example, fiscal year 2016 is the 12-month period from July 1, 2015 to June 30, 2016.

## Glossary (continued)

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### **FTEs**

The term “full time equivalent” (FTE) is a budgeting term used to measure one full year of paid employment, or the equivalent of 2,088 hours (the number of average available work hours in a year). In the department, the average *available work hours* are further adjusted to an estimate of the *hours of work* by subtracting from the 2,088 the number of holiday hours and the three-year historical average of vacation and sick leave taken. For fiscal year 2016, one FTE equates to approximately 1,757.62 hours of work. The factors for this conversion are calculated on a monthly basis for regular full-time and temporary employees, and for overtime.

### **Fund**

A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes. Funds are segregated for the purpose of isolating specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

### **Gas Tax**

Also known as the motor fuel tax. Includes taxes on motor vehicle fuel and special fuel. This tax is levied against each gallon of motor fuel.

### **Highway System Plan**

The component of Washington’s Transportation Plan that addresses the state’s highway system. Included is a comprehensive assessment of the current deficiencies and the conceptual solutions for the state’s highway system for the next 20 years.

### **Maintenance Level**

Reflects the cost of mandatory caseload, inflation, and other legally unavoidable costs not contemplated in the current budget.

### **Motor Vehicle Fund**

The fund containing receipts from motor fuel taxes; motor vehicle registration licenses, permits, and fees; and other transportation user fees. May be used only for highway purposes as provided in the 18th Amendment of the State Constitution.

### **Multimodal Transportation Account**

An account established in the 2000 Legislative Session to ensure that viable multimodal transportation projects and programs are available throughout the state. The account was created to address the complexities associated with current funding mechanisms and seeks to create a process that would allow for all transportation programs and projects to compete for limited resources.

### **Subprogram**

Identifies major functions or activities within a program.

# Appendix B – Transportation Equipment Fund Overview

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## Business Mission

The mission of the Transportation Equipment Fund (TEF) is to provide customers with reliable, well-maintained vehicles and equipment that meet the needs of the users so that they may accomplish their services to the public in a safe, efficient, timely, and cost effective manner.

## Business Description

RCW 47.08.120 gives the Washington State Department of Transportation (WSDOT) the authority to operate the Transportation Equipment Fund to provide equipment and related services to department programs. TEF functions as a non-appropriated, proprietary internal service program that charges rent to department programs for the use of equipment. The program was designed to be self-sustaining so the cost to replace equipment is recovered from equipment rental rates; although that is not how the program is currently operating. Equipment rent charged to programs is less than what is needed to sustain the program. The program provides a wide variety of rental equipment. Currently, there are more than 14,000 items in inventory. Major components are motor vehicles, highway maintenance equipment, and a variety of other specialized equipment. In addition to furnishing equipment, the program operates 32 vehicle service and repair facilities throughout the state.

TEF owns and operates 125 vehicle fuel stations throughout the state that provide service to WSDOT and other government agencies. TEF fueling stations issue approximately 7 million gallons each year. The program also provides and maintains the department's statewide wireless communications equipment.<sup>1</sup>

## TEF Organization

The Transportation Equipment Fund has 213.1 Full Time Equivalent (FTEs). These positions provide maintenance and repair of TEF vehicles, equipment, and the necessary support and administrative staff to deliver program objectives. Employees include managers and supervisors; equipment technicians; accounting and administrative support; repair parts operations staff; and wireless equipment technicians.

Type of Service Provided	FTE
Management and Supervisors	21.0
Equipment Technicians	146.0
Accounting and Administrative Support	18.1
Repair Parts Operations	13.0
Wireless Equipment Technicians	15.0
	213.1 <sup>2</sup>

Management and supervisors include the Program Manager and one assistant which are responsible for headquarters operations, regional guidance and assistance. The six region superintendents are responsible for regional operations which includes maintaining, repairing, and replacing program equipment.

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<sup>1</sup> After enactment of the 2020 Supplemental budget, the budget and FTEs for wireless communications will shift to the Traffic Operations program, under a budget program structure change approved by the Legislature to consolidate management, planning, maintenance, and budget for wireless operations.

<sup>2</sup> See above comment.

## **Appendix B – Transportation Equipment Fund (continued)**

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Equipment technicians are responsible for the maintenance and repair of vehicles and equipment, preparing new equipment for assignment to customers and preparing replaced equipment for disposal.

Accounting and administrative support staff process invoices; perform labor and payroll processes; leave-tracking and reporting; balance fuel and repair parts inventory payables accounts; investigate and balance receivables; and maintain the vast majority of accountability and billing information into the program's fleet management system.

Repair parts operations staff maintain inventory and repair parts necessary to maintain and repair equipment.

Wireless Equipment Technicians set up, maintain, and repair the individual mobile and portable wireless communications devices used by WSDOT and maintain, repair, and replace the wireless infrastructure equipment statewide.<sup>3</sup>

### **Revenue Plan**

TEF's revenue plan is designed to provide adequate funding for the planned expenses for operating and administrative costs. Equipment rental charges paid by WSDOT programs are the major revenue source, accounting for about 83 percent of total revenue. Other revenue is derived from the sale of fuel to other local and state agencies, interest income, sales of aged vehicles and equipment, and operating transfers into the fund.

### **Operational Production Plan Facilities**

The business plan includes minor expenditures for TEF's use of buildings and other facilities because most facilities are provided by the department's Capital Facilities program without charge. However, TEF is responsible for maintaining vehicle fueling facilities.

### **Key Equipment and Technology Requirements**

Each type of equipment has a replacement schedule based on age, use, and lowest lifecycle cost. TEF periodically reviews these schedules to identify necessary revisions to replacement criteria.

### **Key Supply Requirements**

Anticipated expenditures for supplies and materials are based on the average historical level necessary to fuel, service, and repair equipment in the inventory. These items include fuel, lubricants, repair parts, and general operating supplies.

WSDOT fuel consumption is determined by equipment utilization, which is greatly affected by statewide climatic conditions. Fuel prices are forecasted by the Transportation Revenue Forecast Council. Current prices can be influenced by worldwide political events. Fuel is purchased on a state contract. Most fuel sites are on a "keep full" status to ensure adequate supply to WSDOT, Washington State Patrol, other state agencies, federal agencies, and municipalities. WSDOT fuel sites are required to support emergency operations.

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<sup>3</sup> See comment above.

## **Appendix B – Transportation Equipment Fund (continued)**

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Technological advancements in the automotive industry are making engines progressively more fuel-efficient. Consequently, as TEF replaces its aged units, more efficient vehicles should favorably impact fuel consumption and expenditures.

In total, repair costs continue to escalate because of an aging fleet.

General operating supplies include such items as office materials, shop floor, parts cleaning compounds, restroom supplies, and other such items. This expense has been relatively consistent with the number of employees and it is anticipated to remain constant during the plan period.

### **Quality Control Requirements**

The program has a compliance inspection team to ascertain that new equipment meets the requirements of established purchasing specifications. The Environmental Protection Agency (EPA) and the Department of Ecology (DOE) periodically inspect the underground fuel storage sites to ensure WSDOT meets federal and state regulatory requirements. State and internal auditors ensure that appropriate system security measures are in place, that there is a proper division of duties, and that the equipment rental rates are fair and equitable. The program also has several internal performance measures to evaluate its service delivery.

### **Outline of Daily Operations**

Daily operations include the following:

- Purchase new units to replace aged/wrecked vehicles and equipment;
- Perform asset management responsibilities;
- Maintain the Fleet and Equipment Management System database;
- Maintain the Fuel Management System database;
- Service and repair TEF inventoried items, including wireless communications equipment;
- Fuel vehicles and equipment;
- Maintain the department's vehicle fueling infrastructure;
- Dispose of aged/wrecked vehicles and equipment; and
- Monitor, analyze, and report program performance.

### **Significant Changes, Challenges, or Opportunities**

The Code of Federal Regulations, Title 2, Part 200 – Subpart E, restricts TEF's ability to collect rent revenue sufficient to fund new equipment (replacement). Federal agencies will not participate in funding capital equipment acquisitions, but will participate in funding the cost of depreciation related to past capital acquisitions. (WSDOT is considering whether to use a different model other than federal reimbursement model, to begin after 2019-21.)

#### **Equipment:**

The program was established as a Cost Recovery Program; however, due to constrained program budgets over the last several biennia, TEF is only partially recovering the cost of equipment replacement. Due to WSDOT concerns about increasing rent to other programs without additional appropriations, rent has not been increased in a manner to keep the program self-sustaining. The TEF program has delayed equipment replacements beyond the optimal life cycle replacement schedule. Retention of equipment beyond its optimal least-cost life has led to equipment breakdowns and increased downtime for maintenance and repairs of equipment, which reduces the level of service that the department is able to achieve in operating and maintaining state highways. Additionally, because TEF has not been replacing equipment on

## **Appendix B – Transportation Equipment Fund (continued)**

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schedule, the fleet now has a substantial amount of older equipment with little or no depreciation left. As depreciation expense is declining, so too is TEF's ability to replace equipment through equipment rental rates. The 2019-21 unfunded amount to replace equipment that is past due is \$100.5 million. (Note, this is one of many challenges in state of good repair and asset management within WSDOT.)

In order for the program to become self-sustaining, the following options could be considered. Some possibilities (not mutually exclusive) are: (1) additional rent increases – likely with additional appropriation requests to programs; (2) direct capital investment (cash transfer in to TEF).

### **Labor Requirements**

As the backlog of equipment replacement grows, the need for additional staff also grows to provide maintenance and repair of the old equipment that is retained past its normal useful life.

## Appendix B – Transportation Equipment Fund (continued)

### TEF 2019-21 Financial Plan Dollars in Millions

	<b>Millions \$</b>
<b>Beginning Cash Balance</b>	<b>\$16.108</b>
<b>Revenue</b>	
Services Provided to Other Entities	1.331
Fleet Ride Income	.043
Tort Claims for Third Party Damages	1.147
Fuel sales - Gasoline	18.182
Fuel sales - Diesel	1.481
Non-depreciable Capital Equipment Sales - Cash Proceeds	.018
Depreciable Capital Equipment Sales - Cash Proceeds	3.861
Other Revenue, (indirect overhead, miscellaneous, etc.)	.977
Interest Income	.292
Equipment Rent	129.626
<b>Total Cash Revenues</b>	<b>156.958</b>
<b>Expenses</b>	
Labor - Subprogram E1	41.382
Labor - Subprogram S2	.175
Fleet - Gasoline	7.594
Cost of Goods Sold - Gasoline	17.580
Fleet - Diesel	14.914
Cost of Goods Sold - Diesel	1.440
Parts - Maintenance and Repairs	15.340
Commercial Services	2.316
Fees to Other State Agencies	.557
Services Received from Other WSDOT Programs	.094
Other Expenditures, (supplies, travel, training, etc.)	3.415
Non-depreciable Capital Equipment Acquisitions	.289
Depreciable Capital Equipment Acquisitions - Funded	52.293
<b>Total Cash Expenses</b>	<b>157.389</b>
Prior Biennium Carryforward-Unfinished Depreciable Capital Acquisitions	13.571
Prior Biennium Carryforward-Unfinished Non-Depreciable Capital Acquisitions	.009
Net Increase/(Decrease) in Receivables, Inventories, and Payables	.256
<b>Ending Cash Balance</b>	<b>\$2.353</b>

# Appendix C

## Miscellaneous Transportation Programs Account

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The Miscellaneous Transportation Programs Account (Fund 784) was created in 1997. It was established to track federal funds passed through to local governments, and for services the department provides to other public and private entities for which the department receives reimbursement. Fund 784 is nonappropriated. This account is also non-budgeted, which means that the department does not submit an allotment plan (a spending plan for each month in the biennium) for approval to the Office of Financial Management (OFM).

Although reimbursable services processed through Fund 784 are not subject to legislative appropriations or OFM allotment control, department programs must create a spending plan by month because this fund is subject to internal department expenditure controls.

Expenditures on behalf of other state agencies, as well as reimbursements, are recorded. For internal allotment procedures, reimbursable expenditures from other state agencies are shown in the spending plan as positive amounts but offset in total by negative amounts in Object S – Interagency Reimbursements. As such, net expenditures reported for other state agencies are equal to zero. There is no offset in the spending plan for other public or private entities because those reimbursements are recorded in the accounting system as revenue, rather than as a negative expenditure.

Programs that use the Miscellaneous Transportation Programs Account include:

### **Program C – Office of Information Technology**

Program C's reimbursable services relate to interagency agreements with state agencies and municipalities. Subprogram C3–Infrastructure Services includes reimbursable work performed on behalf of other state agencies and municipalities for network and fiber optic installation and co-location. Subprogram C5–Enterprise Applications performs reimbursable work on the Collision Location Accident System (CLAS) for Washington State Patrol (WSP).

### **Program I – Improvements**

The department provides project design services and construction project administration to the Central Puget Sound Regional Transit Authority (Sound Transit) for its regional express bus program. Projects involving the department include direct access ramps to state highways for Sound Transit buses and carpools and related high occupancy vehicle (HOV) and supporting facilities such as park and ride lots.

### **Program M – Highway Maintenance**

Program M's reimbursable services consist of maintenance work performed for cities and counties, as well as work performed for the federal government on roads that are not part of the state system.

### **Program P – Preservation – Subprogram P9 – Sales and Services to Others**

The Preservation Program accounts for several types of reimbursable services that are provided to other governmental agencies and private parties. These services include the department's Materials Laboratory and Geographic Information Services cost recovery centers, highway access permit reviews, and real estate reviews and appraisals.

### **Program Q – Traffic Operations**

Traffic Operations manages the Motorist Information Sign Program in which businesses may advertise on highway information signs. Businesses are charged a fee to cover costs.

## **Miscellaneous Transportation Programs Account (continued)**

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### **Program S – Executive Management and Support**

Subprogram S1 Executive Management and Support utilizes Fund 784 for the collection of conference registration fees and local sponsorship funding for the conference organized by the Strategy, Enterprises & Employee Services.

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

Subprogram T3 Research and Library Services: The Research Office uses Fund 784 for costs associated with research projects with the Oregon and Wisconsin Departments of Transportation for Roadside Safety for Manual for Assessing Safety Hardware (MASH) Implementation.

Subprogram T6 Pass Through Funds: Program T administers the distribution of federal funds to the state's eleven Metropolitan Planning Organizations to support transportation planning activities.

### **Program V – Public Transportation**

Program V administers grants from the Federal Transit Administration (FTA) for use by public and private transit agencies. FTA grant programs include:

- 1) Section 5310 program that provides grants to nonprofit agencies serving the elderly and persons with disabilities;
- 2) Section 5311 program that funds projects to improve public transportation in non-urban areas;
- 3) Section 5309 grants for bus purchases and other transit equipment;
- 4) Section 5316 Job Access and Reverse Commute Program that funds transportation services needed by low-income people to access jobs and related support services; and
- 5) Section 5317 program provides transportation to persons with disabilities beyond requirements of the Americans with Disabilities Act. The division is also responsible for the selection, administration, and reporting of FTA funds provided by ARRA.

### **Program Z – Local Programs–Operating**

Local Programs Management and Support Costs – Subprogram Z1: Costs associated with providing training to local governments are reimbursed through the Miscellaneous Transportation Account.

### **Program Z – Local Programs–Capital**

Subprogram Z2 – Off State System: Local Programs administers the federal funds earmarked for city and county highway projects. Off state system projects, also include projects in which cities and counties fully reimburse the department for services.

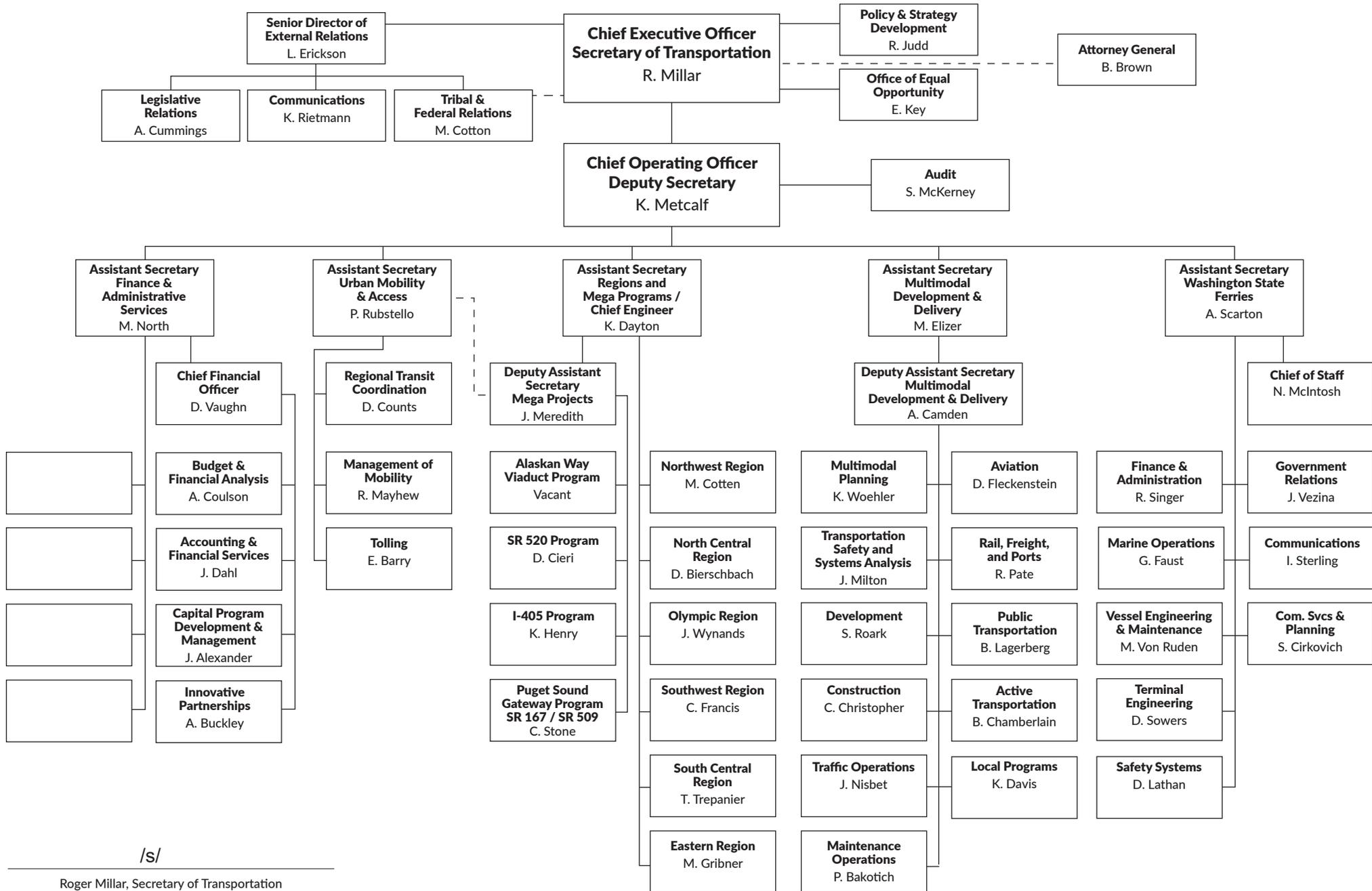
### **Subprogram Z9 – Local Agency Investments on the State System**

Fund 784 is used for projects on the state system that are paid for from local or federal funding sources.

## Miscellaneous Transportation Programs Account (continued)

Miscellaneous Transportation Programs Account		
2019-21 Allotments as of December 2019		
Program	Dollars	FTE
Pgm. C--Information Technology	\$3,800	-
Pgm. I--Highway Improvements	88,090,000	29.5
Pgm. M--Highway Maintenance	4,246,000	11.0
Pgm. P--Highway Preservation	11,785,000	24.6
Pgm. Q--Traffic Operations	3,370,000	12.2
Pgm. S--Transportation Management	50,000	-
Pgm. T--Transp. Planning, Data, & Research	20,000,000	-
Pgm. V--Public Transportation	55,100,000	24.0
Pgm. Z--Local Programs	556,625,000	20.7
<b>Total</b>	<b>\$739,269,800</b>	<b>122.0</b>

**Citizens of the State of Washington**  
**Governor Jay Inslee**



/s/

Roger Millar, Secretary of Transportation

November 19, 2019

Date