



Agency Recommendation Summary

The Washington State Department of Transportation (WSDOT) requests \$726 million towards a \$10 billion need to preserve transportation infrastructure. This \$10 billion includes approximately \$8 billion to preserve the WSDOT-managed portion of the transportation system in minimum acceptable condition at the lowest cost. The investment is assumed to be provided over ten years (2021-23 through 2030-31 biennia). The Columbia River Bridge (\$1.08 billion Washington share without Toll funds) and US2 Trestle bridge (\$830 million without Toll funds) replacement projects are in addition to the \$8 billion for a total of \$10 billion.

Fiscal Summary

| Fiscal Summary <i>Dollars in Thousands</i> | Fiscal Years | | Biennial | Fiscal Years | | Biennial |
|---|------------------|------------------|------------------|------------------|------------------|--------------------|
| | 2022 | 2023 | 2021-23 | 2024 | 2025 | 2023-25 |
| Operating Expenditures | | | | | | |
| Fund 108 - 1 | \$2,000 | \$3,000 | \$5,000 | \$4,000 | \$5,000 | \$9,000 |
| Fund 20H - 1 | \$12,000 | \$12,000 | \$24,000 | \$24,000 | \$24,000 | \$48,000 |
| Fund 108 - 1 | \$12,000 | \$13,000 | \$25,000 | \$24,000 | \$24,000 | \$48,000 |
| Fund 218 - 1 | \$500 | \$500 | \$1,000 | \$500 | \$500 | \$1,000 |
| Fund 20H - 1 | \$16,875 | \$16,875 | \$33,750 | \$65,000 | \$66,000 | \$131,000 |
| Fund 20H - 1 | \$187,000 | \$188,000 | \$375,000 | \$292,000 | \$293,000 | \$585,000 |
| Fund 218 - 1 | \$12,000 | \$11,000 | \$23,000 | \$23,000 | \$24,000 | \$47,000 |
| Fund 20H - 1 | \$107,000 | \$108,000 | \$215,000 | \$200,000 | \$200,000 | \$400,000 |
| Fund 20H - 1 | \$12,000 | \$12,000 | \$24,000 | \$24,000 | \$24,000 | \$48,000 |
| Total Expenditures | \$361,375 | \$364,375 | \$725,750 | \$656,500 | \$660,500 | \$1,317,000 |

Decision Package Description

This proposal outlines a 10-year, \$10 billion need to preserve transportation infrastructure. The \$10 billion preservation need includes approximately \$8 billion to preserve the WSDOT- managed portion of the transportation system in minimum acceptable condition at the lowest cost, replace the US2 Trestle Bridge and the Columbia River Bridge. The following table outlines the ten-year spending estimate:

| 2021-23 Biennium | 2023-25 Biennium | 2025-27 Biennium | 2027-29 Biennium | 2029-31 Biennium |
|---------------------|---------------------|------------------|---------------------|---------------------|
| \$726 million | \$1,317 million | \$2,627 million | \$2,658 million | \$2,672 million |

The state’s transportation infrastructure is the backbone of our state’s economy and way of life, but the aging of our infrastructure built in the 1960s, additions to our transportation system, and years of under-funding preservation has the state on a path to failure. WSDOT is already forced to make difficult and unsustainable tradeoffs today which jeopardizes our ability to keep the system available for future generations.

The current preservation backlog is approximately \$690 million per year and is only expected to grow as funding fails to keep up with needs. The backlog affects every mode of our statewide transportation system; travelers and shippers are already feeling the effects.

Years of under funding, maintenance and preservation -- and adding more capacity to our system without dedicated maintenance and preservation to go along with those projects -- has created the condition the system is in today.

Transportation systems can no longer function at full capacity, and ongoing deterioration and increased construction costs leads to more costly future repairs. Rough pavement leads to greater wear and tear on vehicles and become a safety issue on higher speed roadways as the risk of hydroplaning, vehicle damage, and incidences of vehicles veering around potholes increase. Drivers are experiencing slower speeds because of deteriorated roadways which also means lost time to both commuters and freight transporters.

The growing preservation backlog includes:

- 4,000 lane miles of pavement due for preservation work; another 3,600 past due and 1,600 lane miles rated in poor condition; yet we can only afford to repave 750 lanes miles per year
- 16 bridges require replacement, 19 more need major rehabilitation; yet current funding only allows for 2 bridges being replaced
- 60 steel bridges due for painting, 39 past due; current funding only allows for 4 bridges being painted

- 56 concrete bridge decks past due for repair, 30 due for repair; current funding only allows for 8 concrete bridge decks being repaired
- 17 of the 22 ferry vessels have a preservation backlog – the average vessel is 28 years old
- Ferry fleet experienced 622 days of unscheduled maintenance in fiscal year 2019.
- More than 20% of the Palouse River and Coulee City (PCC) rail line is in poor condition and only capable of 10 mph operations; of the 75 miles in poor condition, only 20.8 miles are being replaced
- 110, or 39%, of WSDOT's primary facilities are more than 50 years old placing them at the end of their life cycle which drives increased preservation and maintenance costs and are typically functionally obsolete and do not meet current needs.
- 21% of WSDOT's Transportation Equipment Fleet is past its useful life which drives up unaccounted preservation and maintenance costs.
- 15% of WSDOT's state owned/managed airports are more than 50 years old which drives increased preservation and maintenance costs.
- 28% of WSDOT's Information Technology systems are in poor condition. This includes WSDOT hardware which is past their useful lives which drives increased preservation and maintenance costs that are not unaccounted for. This also includes WSDOT-owned/managed applications and databases which are functionally obsolete and do not meet current end-user needs.

The department is in constant pursuit of innovative asset management strategies to keep assets in minimum acceptable condition at the lowest cost. WSDOT has implemented many new best practices over the last two decades, which has helped delay a statewide preservation crisis, but are not enough to continue to keep the system condition from failure. WSDOT incorporates these cost savings practices when communicating preservation needs with the Legislature. A few examples are implementing strategic, low-cost preservation approach to pavements and bridges, expanded use of chip seal resurfacing (sometimes called chip seal conversion since many routes are asphalt), only resurfacing specific lanes or even sections with panel replacements, and implementing a performance-based approach to managing many roadside assets such as signs and guardrail. Local volunteer groups provide maintenance activities at the majority of the WSDOT state-owned/managed airports under the "Adopt-An-Airport" program to help preserve the airports. WSDOT is a national leader in asset management, and other States continually seek out and emulate our best practices.

Preservation Funding

Washingtonians own a multimodal state transportation system that would cost nearly \$200 billion to replace, but the state is not spending what is necessary to keep that system in good working order. This threatens not only the transportation system itself, but past investments by taxpayers.

In 2019, WSDOT's average annual preservation need is \$1.24 billion per year, or \$12.4 billion for 10 years. Current funding leaves an annual gap of \$690 million (2018 dollars) for preservation needs, or \$6.9 billion for 10 years. This decision package includes \$8.1 billion for preservation needs which is the \$6.9 billion inflated to year of expenditure.

This decision package does not include investments needed for Highway, Ferries, and Facilities for maintenance and operations. Given the state's current revenue situation, these funds were not requested at this time, but WSDOT would like to continue further discussion.

The state has made many investments in the transportation system in recent years, but corresponding funds to maintain those new projects are rarely set aside, worsening the backlog. Much of the state's gas tax goes toward debt service on new investments or projects, leaving just 8 cents for every 49.4 cents collected in gas tax for everything else we must do – including maintenance and preservation.

Unsustainable declines

The department does not expect to meet the next federally required 10-year condition targets with the current funding plan. Not funding this proposal continues the path of preservation deterioration – under funding preservation has the state on a path to failure. It will cost nearly three times the amount to restore these assets to acceptable condition compared with properly timed preservation investments. The department will defer repairs, incur repairs that are more expensive or reconstruction in the future, assets will be extended beyond their useful life and fail to meet public expectation. WSDOT has taken innovative steps to reduce costs and extend the life of the state's infrastructure for several years, but this strategic maintenance approach is now focused on reducing the rate of deterioration, not improving overall infrastructure condition. WSDOT has already had to make investment strategy decisions of not funding ramp paving, not paving on sections 45 mph or lower, and no chip seal conversions. These trade-offs were necessary to implement more cost-effective uses of pavement investments, primarily resurfacing's to avoid risk of major rehabilitation or reconstruction or deteriorated conditions on higher speed facilities.

The department is prioritizing limited funding to merely slow the rate of decline of the state's transportation infrastructure. The current level of preservation funding:

- Defers repairs
- Deferred repairs incur more expensive repairs or reconstruction in the future
- Extends assets beyond their useful service life.
- Fails to meet public expectations

Failure to maintain our transportation infrastructure affects the state's economy and, ultimately, each resident and visitor to our state.

Deteriorating, short-line railroads take grain longer to get from farms to international markets, cutting into profits and affecting jobs.

- Bridges with weight restrictions due to deferred maintenance mean longer trips for trucks delivering goods to stores or raw materials to manufacturers
- Rougher pavements reduce fuel efficiency, which means consumers spend more on fuel, tire wear increases and repair costs, which can ultimately lead to higher prices for basic goods and services.

What are the consequences of not funding this proposal?

Not funding this proposal continues the path of preservation deterioration – under funding preservation has the state on a path to failure. It will cost nearly three times the amount to restore these assets to acceptable condition compared with properly timed preservation investments.

Without this funding, the rate of decline of the state's infrastructure will continue. The department will defer repairs, incur repairs that are more expensive or reconstruction in the future, assets will be extended beyond their useful life and fail to meet public expectation.

What alternatives did you explore and why was this option chosen?

WSDOT has explored options associated with keeping within the current funding level and full funding for preservation. Continuing to under fund preservation will add increased burden to Washingtonians to take care of the transportation system. It will cost nearly three times the amount to restore these assets to acceptable condition compared with properly timed preservation investments.

Anything short of fully funding preservation does not allow WSDOT to preserve the WSDOT- managed portion of the transportation system in minimum acceptable condition at the lowest cost.

Assumptions and Calculations

Expansion, Reduction, Elimination or Alteration of a current program or service:

This funding level was developed by inflating the \$6.9 billion unfunded preservation needs (2018 dollars) to the year of anticipated expenditure which is \$8.1 billion. The investment is assumed to be provided over ten years (2021-23 through 2020-31 biennia). The Columbia River Bridge (\$1.08 billion Washington share without toll funds) and US2 Trestle bridge (\$830 million without toll funds) replacement projects are included in the \$10 billion. The assumptions for funding most of the programs listed in the table below used the same assumptions for the \$10 billion, 25% of the program's unfunded need split over the first two biennia (2021-23 & 2023-25) and approximately 25% of the program's unfunded need each biennium thereafter for the ten year total. The split for the first two biennia is 35% in the first (2021-23) and 65% in the second biennium (2023-25). This split may differ with some of the programmatic investments to account for addition ramp up time where necessary.

The \$10 billion investment is required to keep the state-owned multimodal transportation system in minimum acceptable condition at a minimum practicable cost (lowest life cycle costs).

Detailed Assumptions and Calculations:

This funding level was developed by inflating the \$6.9 billion unfunded preservation needs (2018 dollars) to the year of anticipated expenditure which is \$8.1 billion. The investment is assumed to be provided over ten years (2021-23 through 2020-31 biennia). The Columbia River Bridge (\$1.08 billion Washington share without toll funds) and US2 Trestle bridge (\$830 million without toll funds) replacement projects are included in the \$10 billion. The assumptions for funding most of the programs listed in the table below used the

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The \$10 billion investment is required to keep the state-owned multimodal transportation system in minimum acceptable condition at a minimum practicable cost (lowest life cycle costs).

Breakdown of funding by program area shown below:

| Project Title | 10 Year Total |
|--------------------------------------|-------------------------|
| IT | 60,000,000 |
| Facilities | 310,000,000 |
| TEF | 311,000,000 |
| Aviation | 9,000,000 |
| Highways - I-5/Columbia River Bridge | 1,075,000,000 |
| Highways - US 2 Trestle | 830,000,000 |
| Highways - Pavement | 1,440,000,000 |
| Highways - Bridge | 1,780,000,000 |
| Highways - Other Assets | 860,000,000 |
| Public Transportation | 340,000,000 |
| WSF - Terminals | 695,000,000 |
| WSF - Vessels | 1,980,000,000 |
| Rail | 310,000,000 |
| | \$10,000,000,000 |

The following investments included in this \$10 billion proposal are excluded from the capital project list as these areas receive their funding through an operating program:

- Aviation
- Information Technology
- Public Transportation
- Transportation Equipment Fund (TEF)

For the 2021-23 biennium, the total request in operating programs totals \$54 million, and is requested in the following programs:

- Aviation - \$1 million
- IT - \$5 million
- Public Transportation - \$23 million
- TEF Preservation - \$25 million

The \$54 million for 2021-23 is requested in the Motor Vehicle State Account (\$30 million) for eligible program activities, and the Multimodal State Account (\$24 million).

Workforce Assumptions:

WSDOT will need to consider different options for delivering this preservation funding. It is expected that a blend of WSDOT state force with an increased use of consultants and contractors will be needed for successful delivery of this package.

How is your proposal impacting equity in the state?

The Washington State Department of Transportation provides and supports safe, reliable and cost effective transportation options to improve livable communities and economic viability for people and businesses. Funding prioritization decisions are based on lowest life cycle cost analysis, stakeholder input, and community engagement to ensure that the state’s transportation infrastructure benefits all residents of Washington State. Funding this proposal values and preserves Washingtonian’s investment in the state’s transportation infrastructure.

Strategic and Performance Outcomes

Strategic Framework:

This proposal aligns with WSDOT strategic plan goal Practical Solutions and strategy Asset Management.

This request contributes to the Results Washington Goal 2: Prosperous Economy, 3: "Maintain the percent of Washington infrastructure assets in satisfactory condition at 2013 baseline levels through 2020".

Enterprise Risk Management

WSDOT's risk assessment process fulfills Secretary's Executive Order E 1038.00-Enterprise Risk Management, by identifying and planning for risks and potential events that may either harm or enhance the agency's ability to deliver its commitments and the Strategic Plan. Through a well-established process, the Department completed a periodic update of the enterprise risk assessment process in July 2020. Included in the assessment was a list of the top three enterprise risks facing the Department in 2020 specific to capital program are:

1. A failure to deliver on projects the Department already has initiated (associated with the risks of Pandemic and Demand for Larger Projects)
2. Inability to maintain and preserve our infrastructure (associated with the risk of State of Good Repair)
3. Inability to fulfill the court ordered removal of fish passage barriers (associated with the risk of Fish Barrier Removal Funding)

The Department's 2021 Capital Improvement and Preservation Program (CIPP) addresses a number of these top risks.

Asset Management – establish asset management plans supported by needs and funding strategies; manage assets to appropriate service levels

Performance Outcomes:

This amount is not to achieve excellent condition, but for acceptable performance at the lowest practicable cost, or lowest life cycle cost – the types of investment mandated by RCW 47.05.

Other Collateral Connections

State Workforce Impacts:

There is no impact to existing collective bargaining agreements, compensation or benefits.

Intergovernmental:

Cities, counties and tribes rely on a safe multimodal transportation system that is in good repair, for both the health of their residents and their economies, and will be supportive of preservation efforts. The traveling public is supportive of a transportation infrastructure that is maintained and preserved.

State Facilities Impacts:

There are no impacts to facilities or workplace needs.

Changes from Current Law:

There are no necessary changes to existing statutes, rules or contracts.

Puget Sound Recovery:

This request is not related to Puget Sound Recovery Efforts.

Legal or Administrative Mandates:

This proposal is not in response to litigation, an audit finding, executive order or task force recommendations.

Stakeholder Response:

There is no impact to non-governmental stakeholders by this proposal.

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

No

Objects of Expenditure

| Objects of Expenditure <i>Dollars in Thousands</i> | Fiscal Years | | Biennial | Fiscal Years | | Biennial |
|---|--------------|-----------|-----------|--------------|-----------|-----------|
| | 2022 | 2023 | 2021-23 | 2024 | 2025 | 2023-25 |
| Obj. J | \$2,000 | \$3,000 | \$5,000 | \$4,000 | \$5,000 | \$9,000 |
| Obj. J | \$12,000 | \$12,000 | \$24,000 | \$24,000 | \$24,000 | \$48,000 |
| Obj. J | \$12,000 | \$13,000 | \$25,000 | \$24,000 | \$24,000 | \$48,000 |
| Obj. J | \$500 | \$500 | \$1,000 | \$500 | \$500 | \$1,000 |
| Obj. J | \$16,875 | \$16,875 | \$33,750 | \$65,000 | \$66,000 | \$131,000 |
| Obj. J | \$187,000 | \$188,000 | \$375,000 | \$292,000 | \$293,000 | \$585,000 |
| Obj. J | \$12,000 | \$11,000 | \$23,000 | \$23,000 | \$24,000 | \$47,000 |
| Obj. J | \$107,000 | \$108,000 | \$215,000 | \$200,000 | \$200,000 | \$400,000 |
| Obj. J | \$12,000 | \$12,000 | \$24,000 | \$24,000 | \$24,000 | \$48,000 |

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