

Governor Christine Gregoire's 2009-11 Transportation Budget

Presentation by
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**Office of Financial
Management**
STATE OF WASHINGTON

Importance of Transportation

- 4.8 million licensed drivers driving 56 billion vehicle miles per year
- 23.3 million passengers carried on ferries
- 630,000 Amtrak passengers -16% growth
- 140 public-use airports
- 75 port districts with \$150 billion of cargo passing through them each year
- 28 transit districts

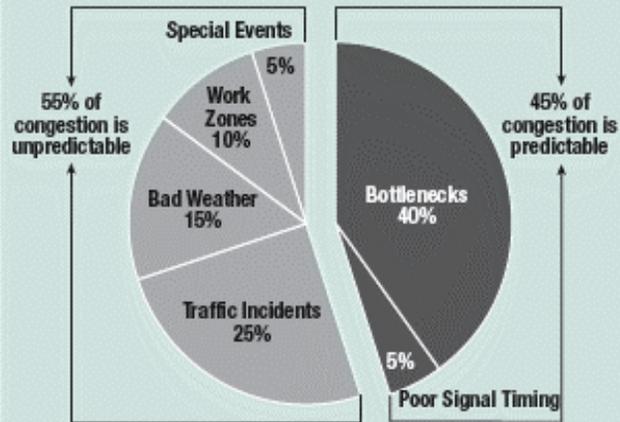
Legislatively-Directed Transportation Goals

In 2007 the Washington State Legislature established five statewide transportation policy goals to guide the planning, operation, performance of, and investment in the state's transportation system.*

- **Preservation:** To maintain, preserve and extend the life and utility of prior investments in transportation systems and services.
- **Safety:** To provide for and improve the safety and security of transportation customers and the transportation system.
- **Mobility** (addressing congestion): To improve the predictable movement of goods and people throughout Washington state.
- **Environment:** To enhance Washington's quality of life through transportation investments that promote energy conservation, enhance healthy communities and protect the environment.
- **Stewardship:** To continuously improve the quality, effectiveness and efficiency of the transportation system.

*The goals are not prioritized

What causes congestion?



Source: FHWA, 2004. Data reflects national estimate

The pie chart above shows that the majority of factors that cause congestion are unpredictable. Non-recurrent congestion accounts for 55 percent of all delays in our system. Traffic accidents alone are responsible for at least 25 percent of all congestion. Bottlenecks, where heavy traffic causes daily backups, account for 40 percent of all congestion.

Congestion

- **WSDOT monitors 52 commutes in the Puget Sound region**
 - 24 of these commutes either improved or remained the same between 2005 and 2007.
- **Congestion is increasing in Puget Sound HOV lanes**
 - 5 of the 7 HOV corridors did not achieve the goal of maintaining or exceeding speeds of 45 MPH for 90% of the peak congestion period
- **WSDOT and WSP continued to improve response times on major incidents that last 90 minutes or longer**
 - As of September 30, 2008 the average clearance time has been reduced to 154 minutes. In 2006, the average clearance time was 170 minutes.

Three approaches:

- Add strategic capacity improvements
 - Eliminate bottlenecks
- Operate system more efficiently
 - Ramp meters, cameras, express lanes
- Manage demand
 - HOT lanes, increased transit, vanpools

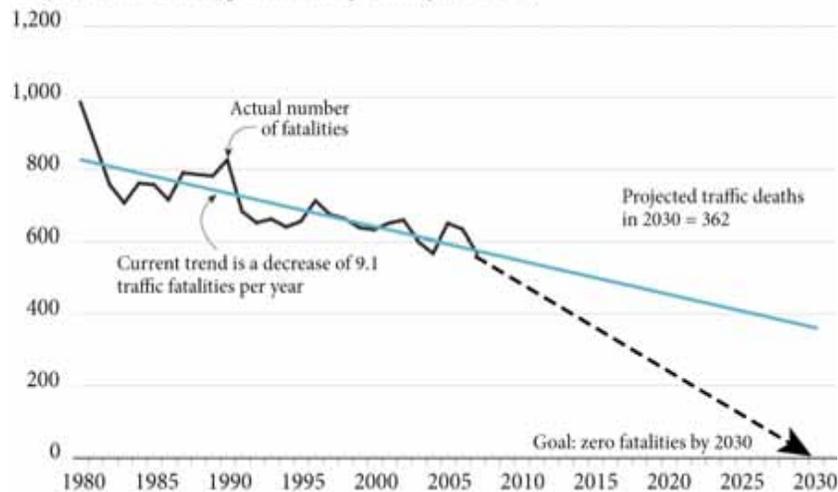
Examples of how congestion is addressed in the budget

- Vanpool program expanded from \$6 million to \$12 million to buy 460 new vans for transit agencies – expected to reduce the number of vehicle miles traveled by up to 27 million per year
- Park-and-ride lot capacity is increased by up to 5,000 spaces – \$0.5 million
- Commute trip reduction program is expanded from \$5.5 million to \$10.5 million to include smaller and medium-sized employers – expected to reduce drive-alone commute trips by 25,120 trips each weekday morning
- Traffic Management Centers: Seven centers provide real-time travel information to the media, update 80 variable message signs around Puget Sound, operate ramp meters and tunnels, and track highway incidents
- Real-Time Traffic Information: More than 475 traffic cameras linked to the Internet help commuters plan trips
- High Occupancy Toll (HOT) Lanes: WSDOT opened the SR 167 HOT lane pilot project in spring 2008
- Incident Response: 55 roving incident response teams help clear roads and keep traffic moving
- Automation of reversible lanes on I-5 and I-90 (\$5 million)
- Completion of ramp meter network on I-5 between Federal Way and downtown Seattle (\$9 million)

Safety

Washington traffic fatalities, 1980-2007

Projected to 2030 (preliminary data for 2007)



Data Source: Washington Traffic Safety Commission; June 2008 FARS.

Three approaches:

- Primary focus is on reducing traffic fatalities that involve impairment, speed and/or no seat belt use, which together account for 77 percent of all traffic deaths
- Low-cost enhancements such as de-icers, re-striping, signal synchronization, guard rails and rumble strips
- Engineering solutions

Examples of how safety is addressed in the budget

- WSDOT: \$300 million for collision reduction, guardrail, and low cost enhancements such as rumble strips.
- Washington State Patrol: \$239 million for field force, including 653 troopers for highway patrol. Assisted 104,350 motorists in 2008.
- Washington Traffic Safety Commission: \$11.6 million this year granted to law enforcement, other state and local government agencies, and non-profits to promote traffic safety through education, enforcement, and engineering solutions

High Demand and Scarce Resources

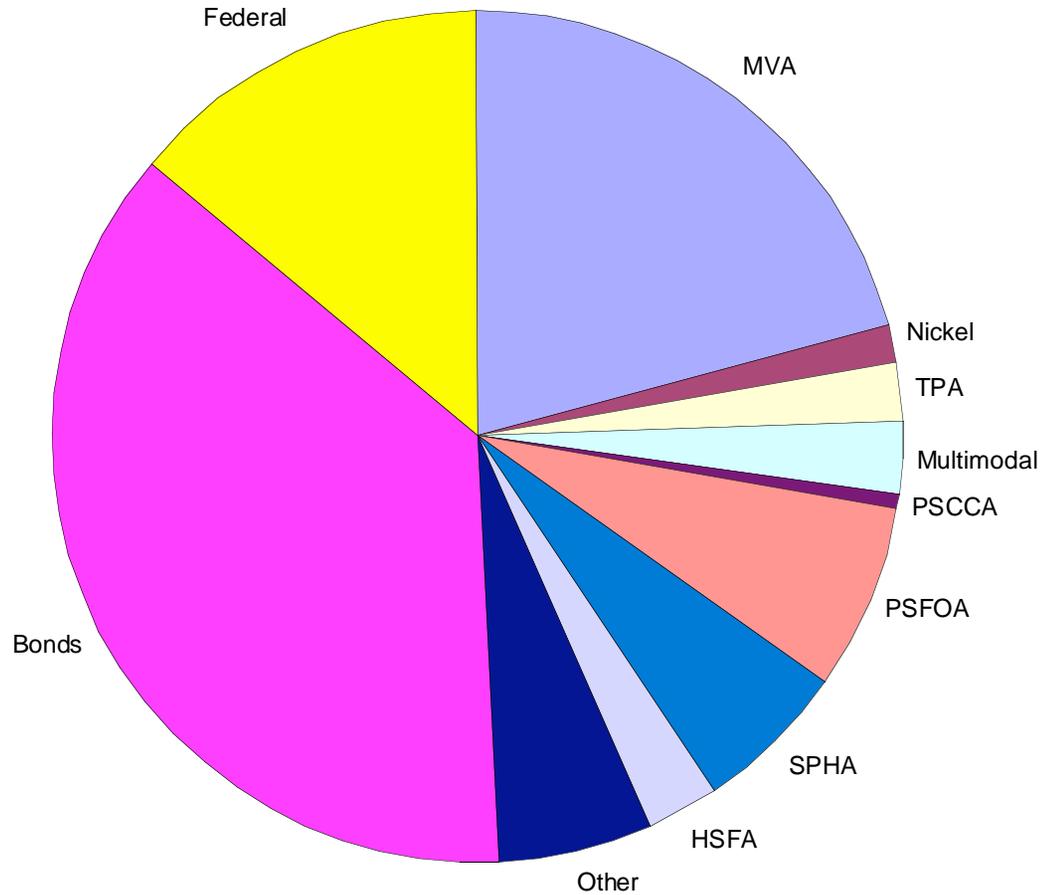
Increasing needs...

- Rail- Mid-range Rail Plan calls for an additional \$141 to \$828 million over the next eight years
- Ferries- Long-term plan calls for an additional \$1.4-3.5 billion over the next 22 years.
- Highways
 - Mega-projects (AWV, SR520, North-South Spokane, Columbia River Crossing, etc.) Multiple billions
 - Nickel and Transportation Partnership Act projects
 - Aging bridges and pavement

Constrained resources...

- Gas tax revenues/people driving less/variability of fuel prices
- Increased reliance on bond sales
- Construction inflation rose 21.3% in the first six months of 2008
- The cost of highway construction materials has risen substantially in recent years
 - more than 50 percent since 2004
- SAFETEA-LU expires in September 2009

2009-11 Revenue by Source

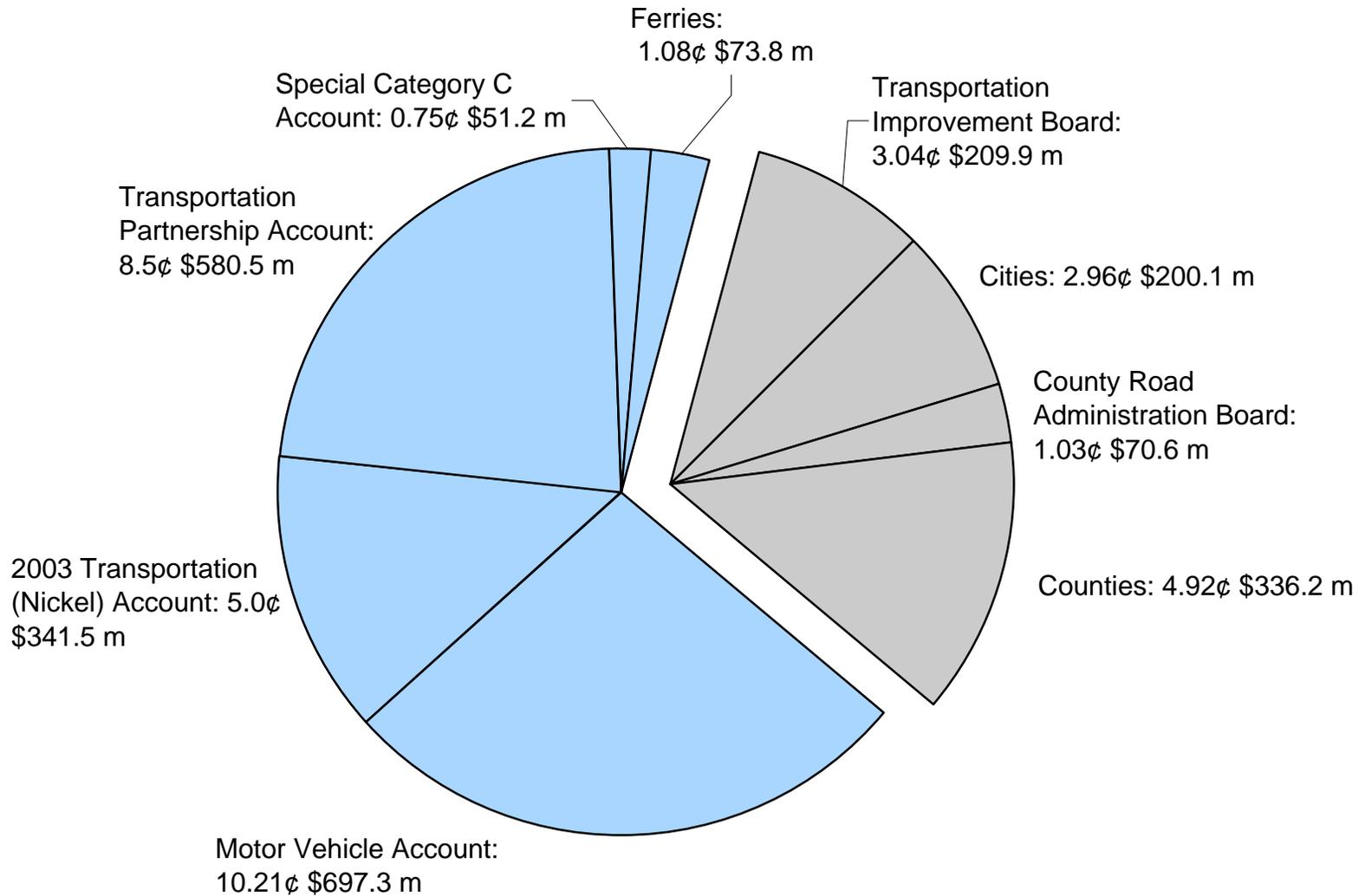


Funds (Millions)

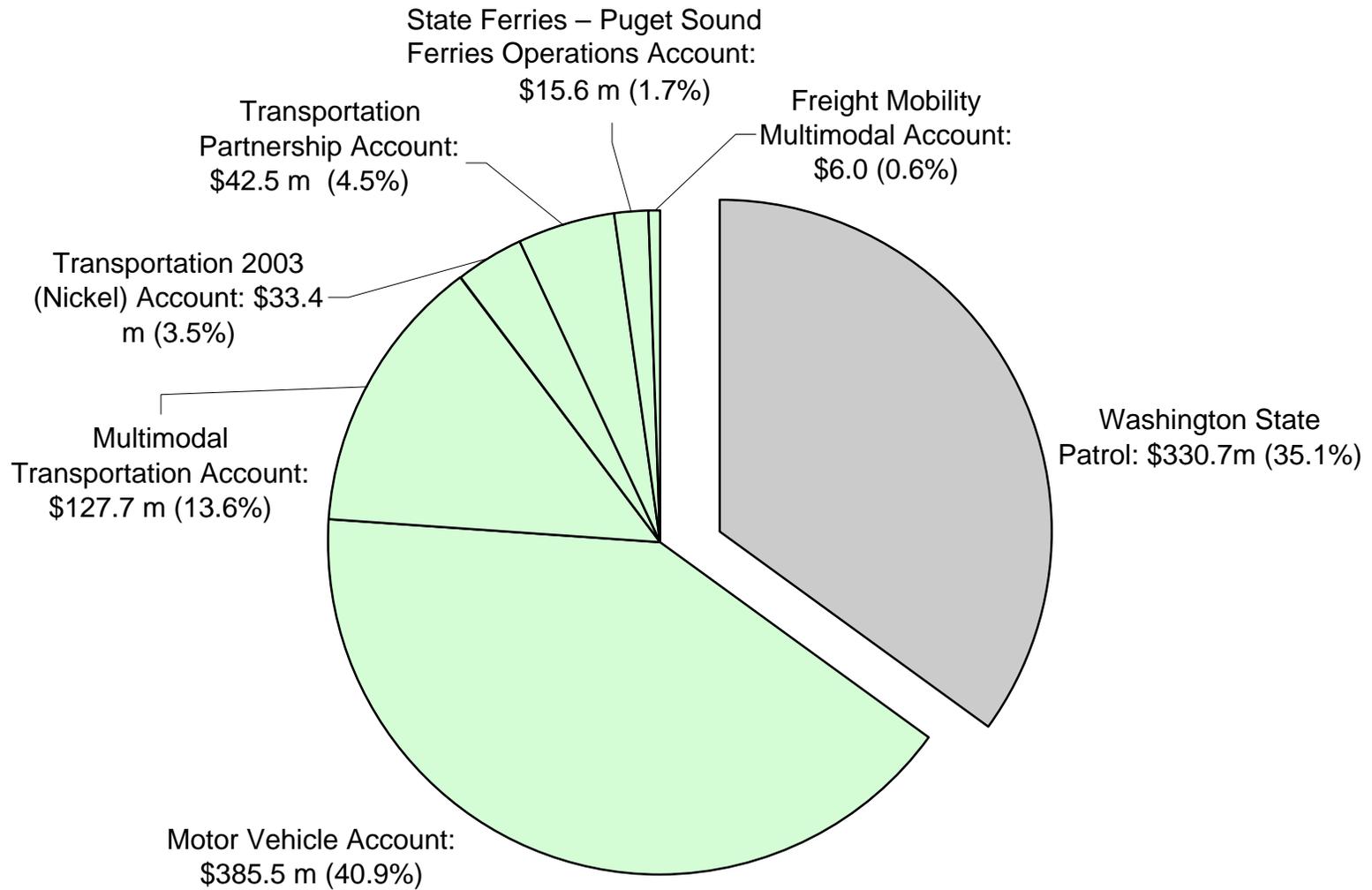
MVA -	\$1,285.2
Nickel -	\$91.5
TPA -	\$132.7
PSFOA -	\$432.4
PSCCA -	\$48.6
SPHA -	\$359.3
Multimodal -	\$172.3
HSFA -	\$168.4
Other -	\$359.6
Federal -	\$862.3
Bond -	\$2,296.5
Total -	\$6,209.3

2009-2011 Biennium 37.5¢ Gas Tax Revenue Distribution \$2,561.2 million

In July 2008, the last increase of the gas tax enacted by the 2005 Legislature was implemented. The total increase of 9.5¢ is distributed as follows: 8.5¢ to the Transportation Partnership Account, 0.5¢ to counties and 0.5¢ to cities.



2009-2011 Biennium Licenses, Permits, and Fees \$941.4 million

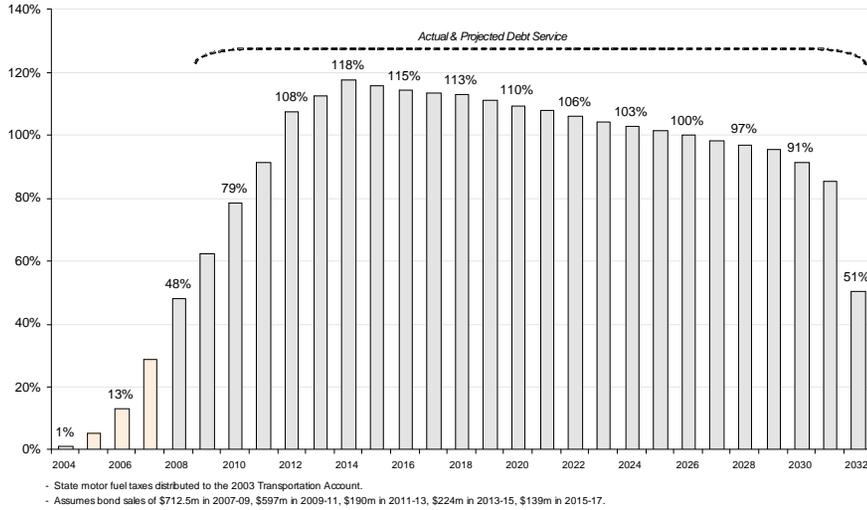


When Accounts Go Negative in Governor's Financial Plan

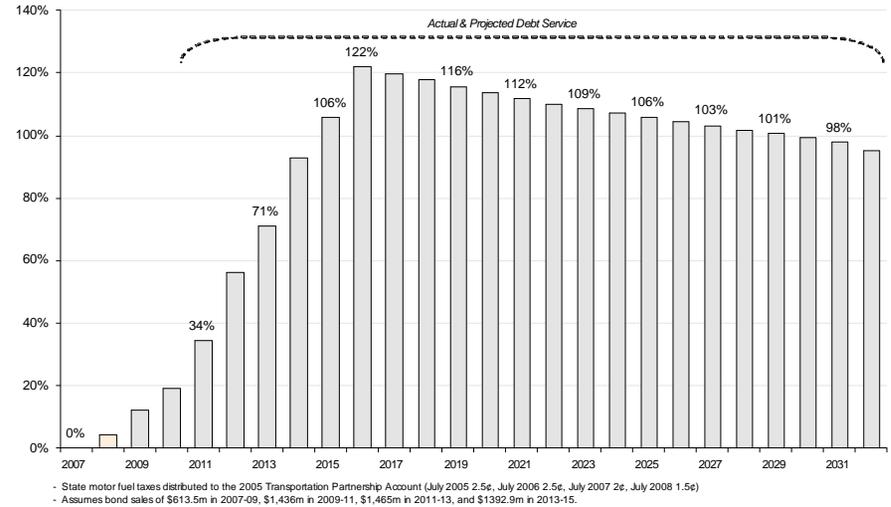
	<u>Biennium</u>	<u>Amount</u>
PSFOA:	2011-13	(\$4.7) M
PSCCA:	2011-13	(\$33.2) M
Nickel:	2015-17	(\$66.9) M
TPA:	2015-17	(\$848.6) M
Multimodal:	2015-17	(\$91.2) M
MVF:	2017-19	(\$39.4) M

Debt Service as a Percentage of the Gas Tax*

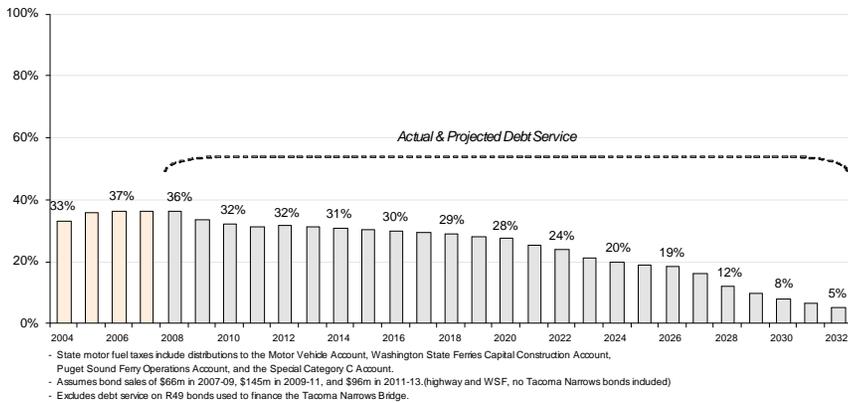
Debt Service as a Percent of the Nickel Gas Tax Increment
(State Portion: 5¢)



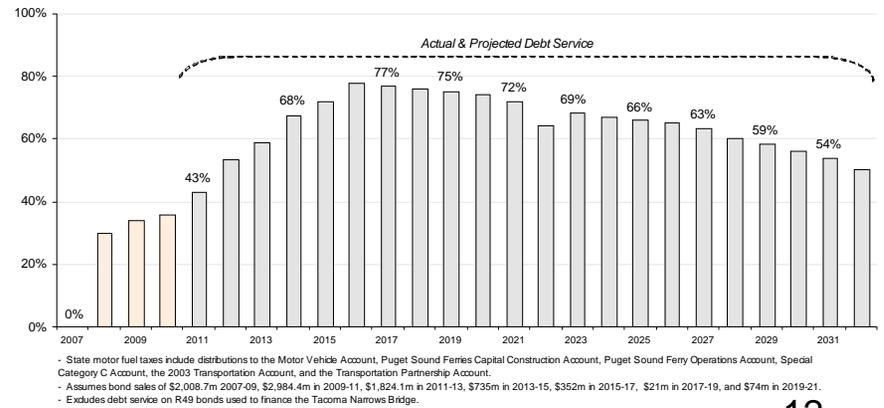
Debt Service as a Percent of the Transportation Partnership Gas Tax Increase (State Portion: 8.5¢)



Debt Service as a Percent of the State Portion of the 23¢ Motor Fuel Tax Revenues (State Portion of the 23¢ = 12.04¢/gallon)

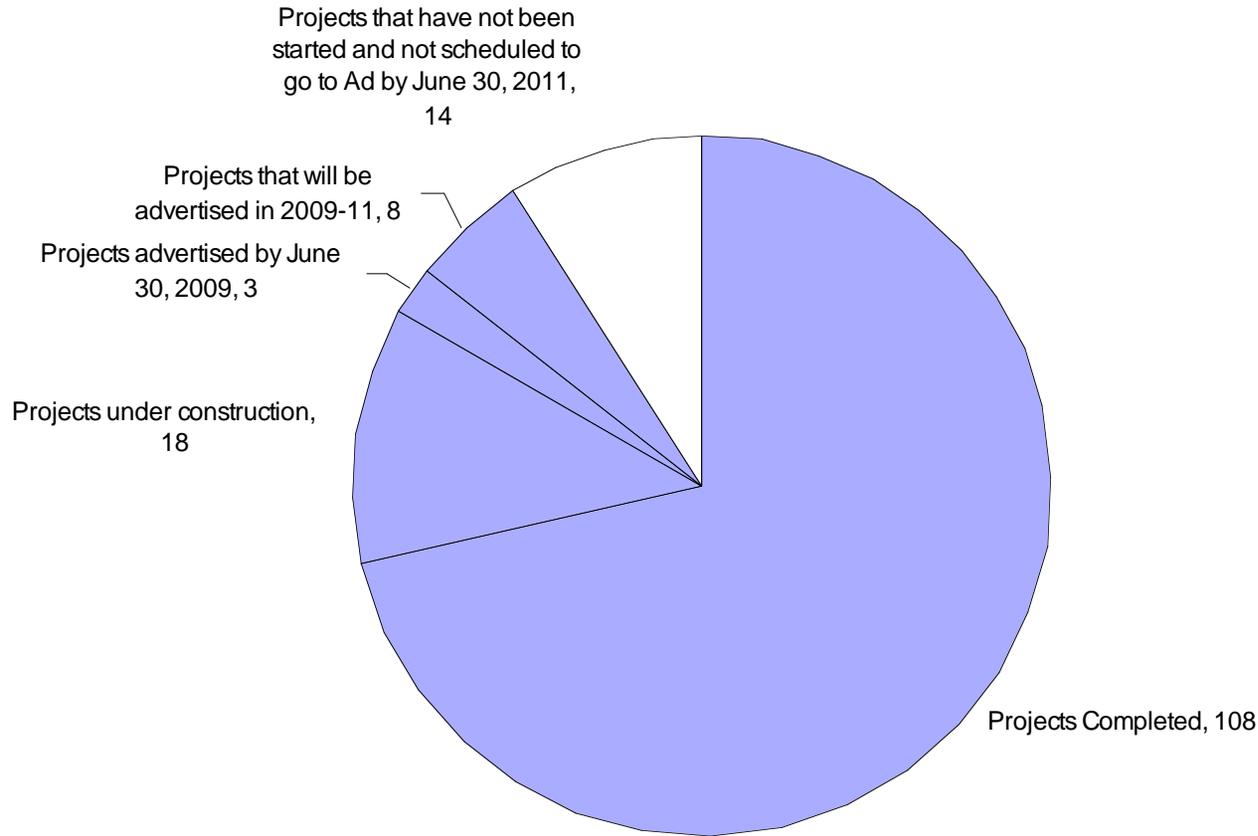


Debt Service as a Percent of the State's Overall Share of the Gas Tax (State Share 12.04¢ + 5¢ + 8.5¢ = 25.5¢)



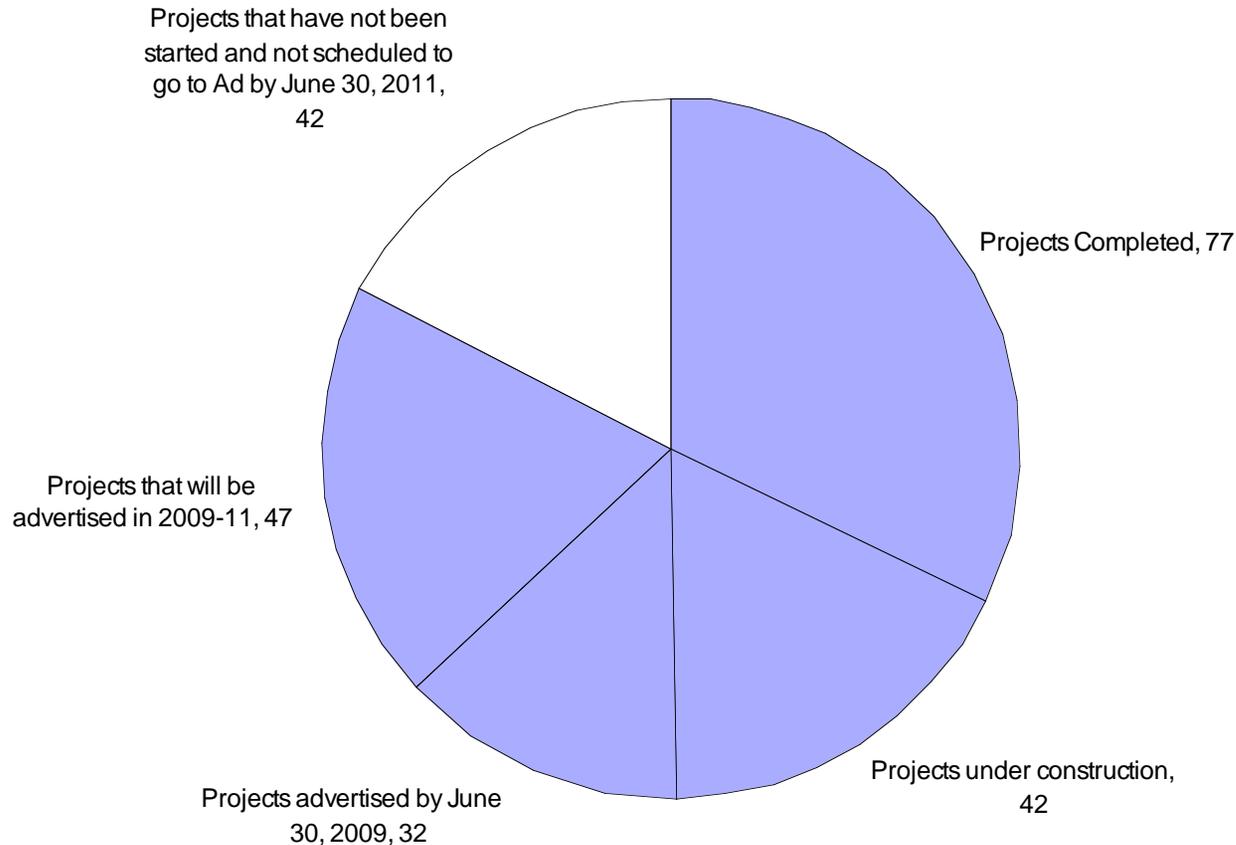
*Based on the November 2008 Transportation Revenue Forecast

Status of the 151 Nickel Projects



By June 30, 2011, 92% of the 151 Nickel projects will either be under construction or operationally complete.

Status of the 240 Transportation Partnership Account Projects



By June 30, 2011, 82% of the 240 TPA projects will either be under construction or operationally complete.

Criteria used to determine which projects to push out

- Projects which have not already gone to bid or are not in the construction phase
- Projects not fully funded through construction or only preliminary engineering and right-of-way phase
- Projects with significant cost increases
- Projects dependent upon outside funding partners to complete meaningful projects/segments/corridors...and sources are not secure
- Projects with complex preliminary engineering and right-of-way issues causing cost increases and delays

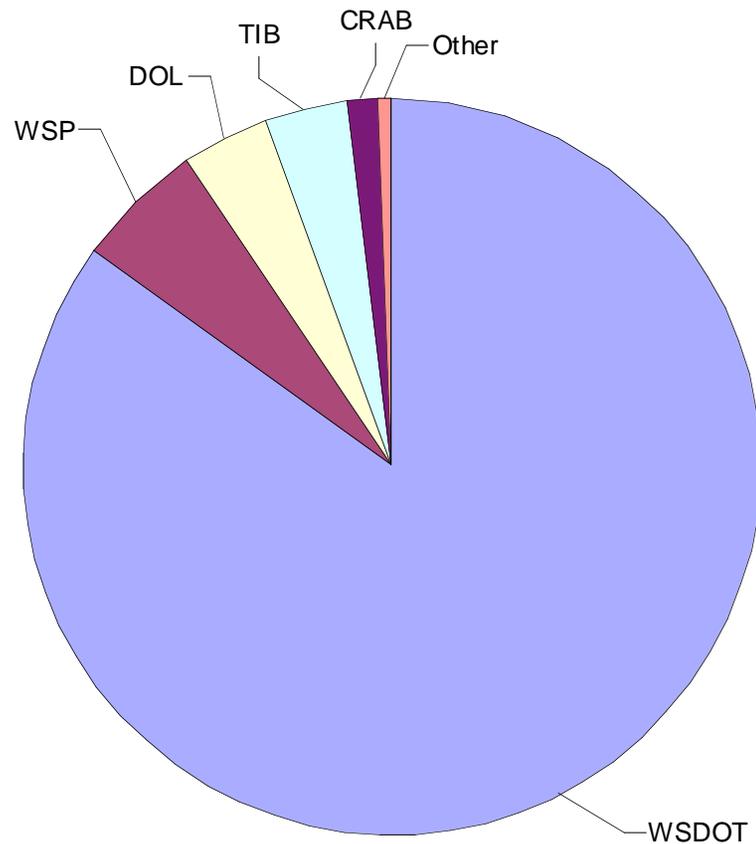
Major projects pushed out

- **I-5 Tacoma HOV Improvements (King County Line to the Tacoma Dome)**
 - Work on I-5 HOV through Pierce County has been delayed by one to two biennia.
 - The 2008 budget planned to spend \$590 million. The Governor's proposed budget plans to spend \$191 million, with the majority of the construction dollars being spent on the I-5/SR 16 interchange.
 - The overall cost increase is \$67 million.
- **I-405/SR 520- SR 527 Widening**
 - Delayed by one biennium.
 - The 2008 budget assumed that this project would go to Ad September 2009 and had \$196 million in construction for the 2009-11 biennium.
 - The new Ad date is July 2011 in the Governor's proposed budget and has \$10 million in construction for 2009-11.
 - The overall cost increase for this project is \$6.2 million.
- **SR 522/Snohomish River Bridge to US 2- Add lanes**
 - Scheduled to go to Ad in December 2009.
 - Construction on this project has been delayed until the 2015-17 biennium and the new Ad date has not yet been established.
 - The overall cost increase on this project is \$18 million.
- **SR 14/Camas to Washougal- Add Lanes and build interchange**
 - Project has been delayed by one biennium.
 - The project was scheduled to go to Ad in January 2010. A new advertisement date has not been set yet, but the construction is funded for 2011-13.
 - The overall cost increase is \$564,000.
- **I-5/Mellen Street Interchange to Grand Mound Interchange- Add lanes**
 - Delays spending by approximately \$25 million in the 2009-11 biennium and delays completion of the project by one year.
 - Scheduled to be operationally complete in December 2014.
 - This project is going to Ad in April 2009.
 - The overall cost increase on this project is \$19 million.

Overview

Transportation Budget by Agency

2009-11



Agencies (Thousands)

WSDOT - \$5,268,631

WSP - \$352,554

DOL - \$241,336

TIB - \$215,689

CRAB - \$86,290

Other - \$36,651

Total - \$6,201,151

The total for the transportation budget includes \$859.4 million which is not reflected in the agency totals above. This appropriation to the treasurer is principally for debt service.

Department of Licensing

- Operating appropriations for the Department over the past three biennium:

	Transportation	– Omnibus	– Total
		(in thousands)	
05-07	\$205,015	\$42,200	\$247,215
07-09	\$233,746,	\$48,929	\$282,675
09-11	\$241,336	\$51,115	\$292,451

- \$3.9 million in funding for the Motorcycle Safety Program is included in the 09-11 budget. In 2007, motorcyclist deaths decreased by 8%. In 2008, 20,000 cyclists were trained in motorcycle safety.
- \$11.7 million in funding for the Enhanced Driver License and Identification card (EDL/ID) program is included in the 09-11 budget. Since the Department began taking applications in February 2008, over thirty-two thousand EDL/ID cards have been issued. There are 14 offices in the state issuing EDL/ID cards.

Washington State Patrol

- Operating & transportation capital appropriations for the Patrol over the past three biennium:

	Transportation	Omnibus	Total
	(in thousands)		
05-07	\$308,827	\$110,174	\$419,001
07-09	\$341,846	\$122,725	\$464,571
09-11	\$353,104	\$138,532	\$491,636

- The number and rate of traffic fatalities is decreasing. In 2007 the fatality rate was 1.00 per 100,000,000 vehicle miles traveled- the lowest fatality rate in state history.
- The average length of time to clear major incidents on key highway segments is decreasing. In 2007 the length of time was reduced by 7%.
- Washington State Patrol cadet class postponement:
\$7.9 million in funding for training cadets is included in the 09-11 budget. In the current biennium, two classes are scheduled to graduate from the State Patrol Training Academy and the same is expected during the 2009-11 biennium. The postponement of the March 2009 class will result in no launch of a third class next biennium.

State Support to Local Government

City streets and county roads make up 67 percent of total miles in the state, and carry more than 42 percent of the traffic.

WSDOT oversees the management of over 4,800 local bridges.

County Road Administration Board: \$86.3 million

- CRAB also provides training and technical services for the state’s 39 county road departments
- Primary focus is on maintaining and preserving county roadways

Transportation Improvement Board: \$215.7 million

- Primary focus is on maintaining city streets in fair condition to avoid further deterioration and costly reconstruction projects
- TIB also targets nine towns with critically low pavement condition by providing additional funds -- TIB’s goal is to prevent further failures, and bring the nine towns up to the state average pavement rating for small cities in three to four years
- TIB also support sidewalk programs in cities to enhance pedestrian safety and mobility

Program Z at WSDOT: \$108.7 million appropriated (an additional \$425.5 million is pass-through)

- Provides support and grant funds to local governments for local projects, including those for roads, sidewalks, etc.
- Budget includes funding for Freight Mobility Strategic Investment Board capital projects – to improve freight mobility and safety

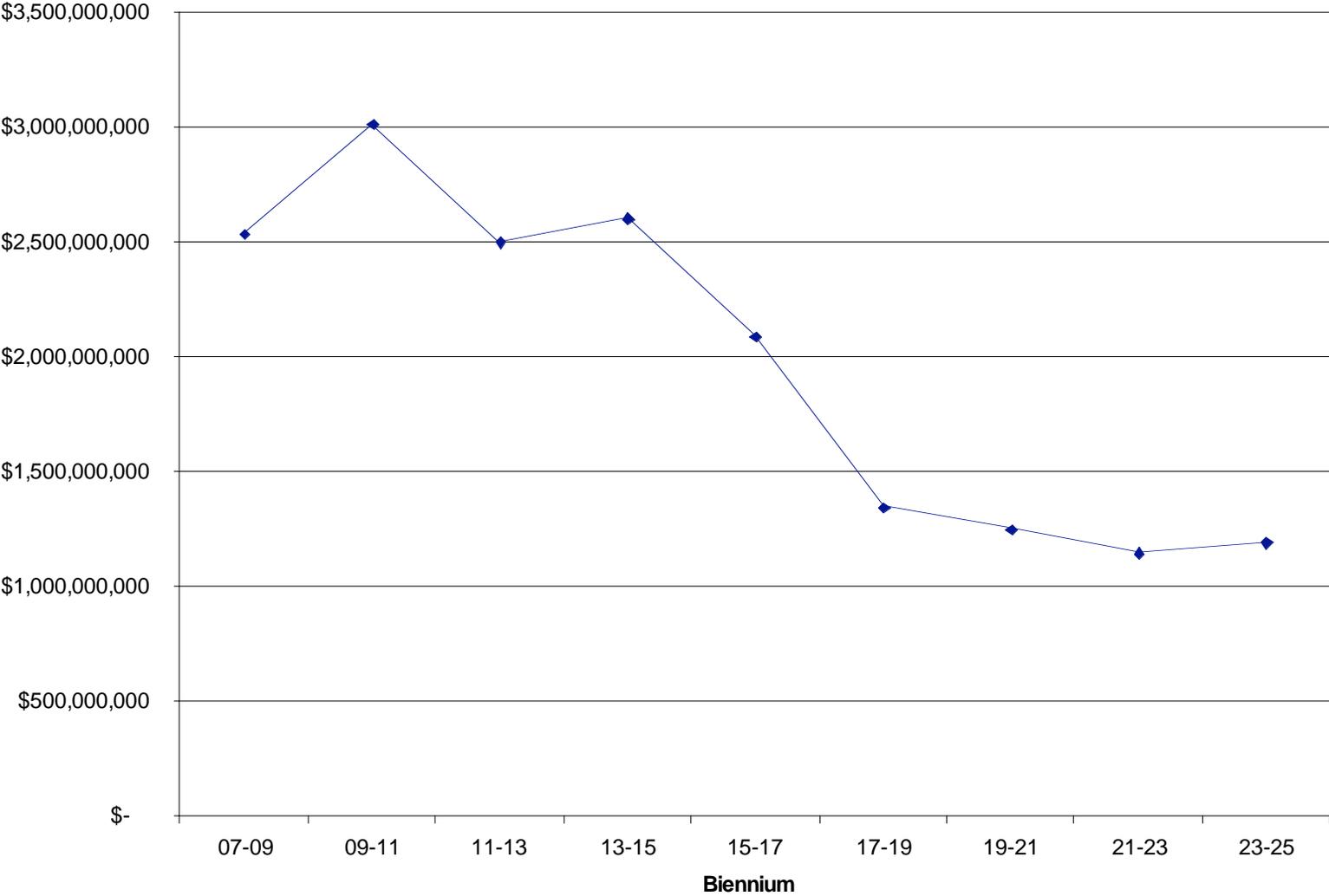
Gas tax distributions directly to local governments: \$536.3 million

Dept. of Transportation Highways Program

	<u>05-07</u>	<u>07-09</u>	<u>09-11</u>
Traffic Operations- Operating	46.5	53.8	53.9
Total Operating	46.5	53.8	53.9
Preservation	547.2	775.8	774.0
Improvement	1,913.1	2,748.6	2,612.2
Traffic Operations- Capital	20.7	22.5	15.5
Total Capital	2,481.0	3,546.9	3,401.7
Total	2,527.5	3,600.7	3,455.6

- 2009-11 biennium includes 1,422 projects of which 1,264 will be under construction in 2009-11. Total value of projects=\$18.5 billion
- In 2009-11 over 17,000 jobs will be created through these highway projects
- \$44 million included for additional pavement preservation

WSDOT Construction Spending by Biennium



Dept. of Transportation Maintenance Program

	<u>05-07</u>	<u>07-09</u>	<u>09-11</u>
Operating	314.3	350.2	359.0
Total	314.3	350.2	359.0

- WSDOT maintenance program manages more than 20,250 lane miles of highways, 3,600 state bridges, 50,000 culverts, 1100 traffic signals, and 150,000 signs.
- Last winter, the mountain passes experienced almost twice the accumulation of snow compared to the four year average. Snoqualmie Pass had 598 inches of snow, an increase of 269 inches over the four year average. In total, the 2007-08 winter season cost \$11.2 million more than the 2006-07 winter and \$12.8 million more than the four year average.

\$16.8 million to address the Maintenance Backlog

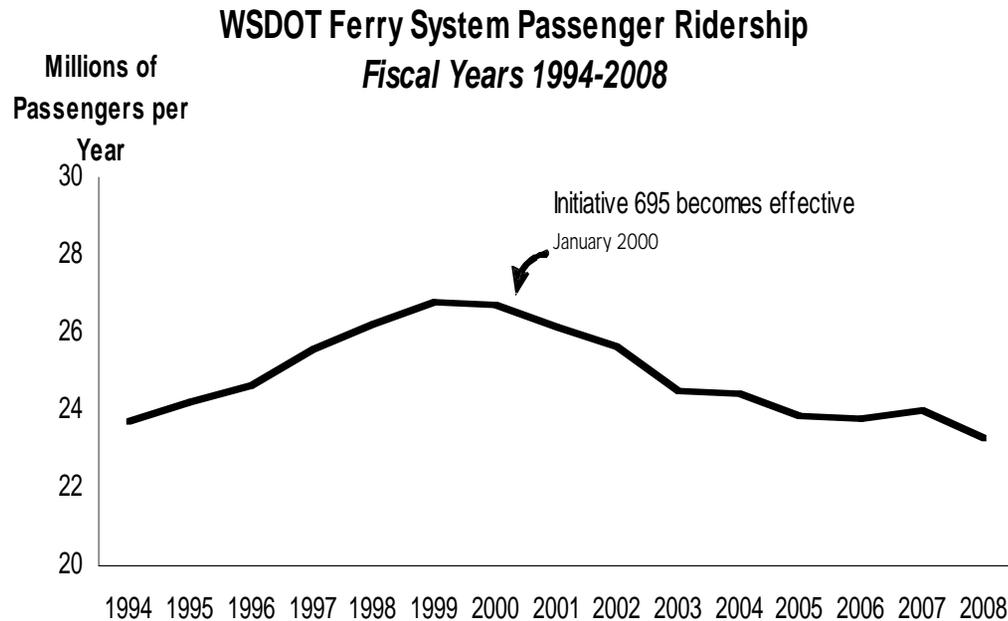
- WSDOT's performance in meeting highway maintenance targets is falling. In 2007, WSDOT met performance targets for 17 of 32 activities (53%), compared to 28 of 33 maintenance activities in 2006 (85%).
- Cost pressures on the maintenance program has created an \$85 million backlog of deferred projects
- To improve performance, the Governor's Budget request includes \$16.8 million for the following:
 - \$4 million to service traffic signals
 - \$1.5 million for structural bridge repair
 - \$900,000 for regulatory sign maintenance
 - \$3 million for intelligent transportation system maintenance
 - \$4 million for pavement patching and repair
 - \$700,000 for cable guardrail
 - \$1.2 million for raised/recessed pavement markers
 - \$1.5 million for culvert maintenance

Dept. of Transportation Ferry Program

	<u>05-07</u>	<u>07-09</u>	<u>09-11</u>
Operating	389.7	442.1	426
Capital	182.4	189	268.4
Total	<u>572.1</u>	<u>631.1</u>	<u>694.4</u>

- Focus on core marine highway service (moving autos)
- Eliminates Anacortes/Sidney ferry run
- Constructs one 64 auto ferry: \$65.5 M bid from Todd did not include design, construction engineering, or contingencies. Budget includes \$76.9M -includes 10% contingency, engineering and crew training
- Continuation of only one boat on Pt. Townsend/Keystone
- \$11 million for 144 boats to finish contractual obligations related to purchase of four propulsion systems total contract \$57 million
- Engines and generators from the 144 propulsion systems can be used on the Island home vessel
- Technical proposal from consortium (Todd, Martinac, and Nichols) shipyard for 144 is not complete
- New vessel and terminal ferry preservation life-cycle cost models and asset condition rating systems being implemented

Ferry Ridership



Data source: WSDOT *Gray Notebook* March 31, 2008, p. 79

- Includes 22 active vessels, 20 terminals and a repair facility
- Largest operating auto-fleet in the United States, carrying 10 million vehicles and 23.3 million passengers each year
- Ridership was 24 million in 2007 and 23.3 million for 2008
- Some of the decline attributed primarily to higher fuel prices
- In-state and out-of-state holiday-travelers make up an important portion of ridership

Dept. of Transportation Rail Program

	<u>05-07</u>	<u>07-09</u>	<u>09-11</u>
Operating	34.3	35.1	34.9
Capital	43.9	140.8	134.1
Total	78.2	175.9	169.0

Washington state is one of 13 states that provide operating funds to Amtrak for intercity passenger rail service. Amtrak *Cascades* service is jointly funded by Amtrak, Washington (through WSDOT) and Oregon, and runs from Eugene, Oregon, to Vancouver, B.C. WSDOT provides funding support to cover both capital costs (rail line construction, train equipment and station improvements) and operating costs for four of five Amtrak *Cascades* round trips.

The 2009-11 operating budget, \$34.9 million includes funding for the six-state-supported Amtrak *Cascades* round trips in Washington: four from Seattle to Portland, one from Seattle to Vancouver, B.C., and one from Seattle to Bellingham.

The 2009-11 capital budget includes \$12.7 million for grants to smaller railroads and ports for improvements to the state's freight rail system. The remainder, \$121 million, focuses on the three main passenger rail capital construction priority projects: Vancouver Passenger Rail, Tacoma-Point Defiance, and Kelso-Martin's Bluff. Those projects are the top priorities in the 2008 WSDOT Mid-range plan for passenger rail – to improve on-time performance and reliability, and increase the number of train trips.

Dept. of Transportation Public Transportation Program

	<u>05-07</u>	<u>07-09</u>	<u>09-11</u>
Operating	70.2	99.4	119.0
Total	70.2	99.4	119.0

- **Commute Trip Reduction Program** \$10.5 million - WSDOT works with local jurisdictions and major employers to provide commuting alternatives for workers. Currently, about 570,000 workers at major employer have access to Commute Trip Reduction (CTR) programs at nearly 1,200 worksites. About half of all eligible workers at these sites use at least some of the available alternatives. Program will expand to include smaller- and medium sized employers.
- **Vanpool Investment Program** \$12 million - Washington has the nation's largest vanpool program, with 2,701 vanpools operating as of August 2008. In 2006, 6.7 million passenger trips were on vanpools. If drivers had driven alone instead of using a vanpool, they would have driven approximately 233.8 million more miles and consumed 9.5 million more gallons of fuel in 2006. The Program serves 17,964 vanpool riders daily – increased funding will expand ridership by another 1,850 riders by 2011.
- **Regional Mobility Grant Program** \$40 million - Funding allows improved connections between transit services, and improves the integration between public transportation and the highway system. Local and regional jurisdictions receive funding for specific projects and are then required to report on measures of effectiveness, including annual reductions in vehicle trips, vehicle miles traveled or hours of delay.
- **Others:**
 - Special Needs Transportation Program and Agency Council on Coordinated Transportation (ACCT) \$26 million
 - Rural Public Transportation Program \$19 million

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