

January 20, 2022

Gov. Inslee's proposed 2022 Transportation Supplemental Budget

OFM

OFFICE OF FINANCIAL MANAGEMENT

Agenda

Key transportation
priorities

Revenues

Expenditures

Key Priorities



Key transportation priorities



Climate agenda - Clean Green
Transportation



Ferry reliability



Preservation



Keeping our commitments

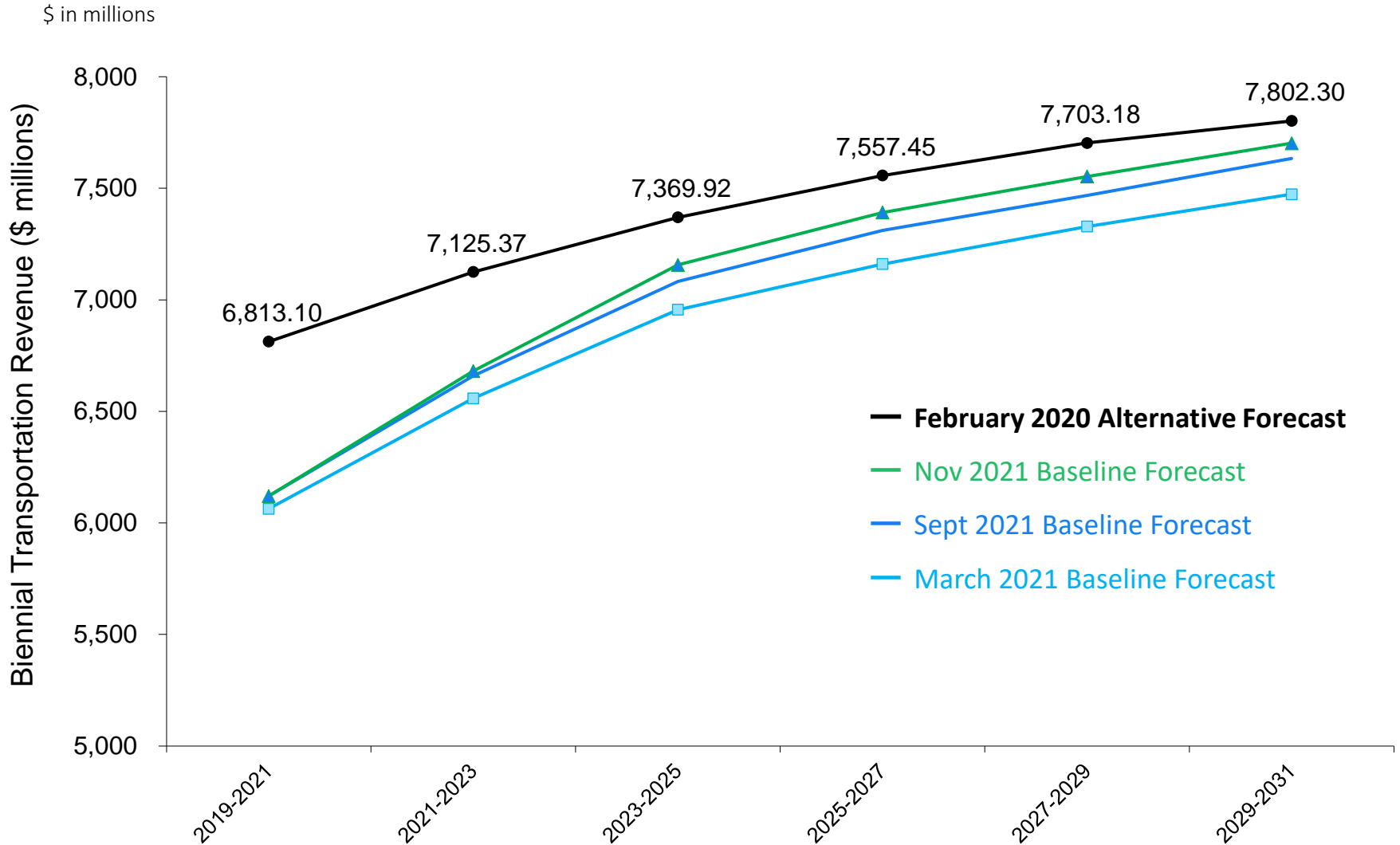


Equity

Revenue



Transportation Revenue Forecast



Additional and New Resources

- **\$123 million Climate Commitment Act (CCA) funds**
Supports clean transportation activities
- **\$363 million Federal Infrastructure Investment and Jobs Act (IIJA) (assumed to be spent over 3 years)**
Supports preservation, EV infrastructure & new bikeway program
- **\$384 million one-time General Fund-State (GF-S) (assumed to be spent over 3 years in most cases)**
Supports ferries capital and operating as well as ultra-high-speed ground transportation
- **\$500 million American Rescue Plan Act (ARPA) Funds**
Supports SR 520 and I-405/SR 167 projects

Resources: Climate Commitment Act- E2SSB 5126

Proceeds to be invested in projects/programs that reduce transportation sector carbon emissions and advance equity.

Carbon Reduction Emissions Account (CERA) created

- Expenditures may only be made for transportation carbon emission-reducing purposes and may not be used for highway purposes authorized under the 18th amendment unless otherwise specified in E2SSB 5126
- FY 2023 — first \$127 million to CERA
- Additional deposits to CERA outlined in bill over time
- All spending requires legislative appropriations

Minimum 35% to vulnerable communities, target of 40%

Not less than 10% for tribal – sponsored/-supported projects

Resources: Climate Commitment Act- E2SSB 5126

\$ in thousands

Carbon Emissions Reduction Account Forecasted Revenue

Biennium

2021-23	127,341
2023-25	723,255
2025-27	718,234
2027-29	718,234
2029-30	718,234
2031-33	718,234
2033-35	718,234
2035-37	718,234

Total revenue	5,160,000
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Resources: Climate Commitment Act- E2SSB 5126

Transportation budget includes the following contingency language for appropriations from the carbon emissions reduction account, created in the CCA:

- Expenditures are restricted to the availability of revenue deposited in the account; and
- Enactment of request legislation brought forth by the department of ecology, as required by RCW 70A.65.230. If such legislation is not enacted by April 1, 2023, the amount provided in this subsection shall lapse.
- At least 50 percent of the funds provided must be used in overburdened communities as defined by RCW 70A.02.010

Expenditures



Climate Agenda - Clean Green Transportation

Governor's Supplemental 2022 Budget

Source	Item	\$'s in Thousands
Alternative Fuels		
FED	Natl Electric Vehicle Program	14,100
MMA	State Match Natl Electric Vehicle	2,800
CCA	Local ZEV Infrastructure Expansion	5,000
MMA	ZEV Outreach and Education	1,000
Expand Existing Transit Bike/Ped Programs		
CCA	Expand Bike/Ped Grant Program	30,000
CCA	Expand Safe Routes to School	15,000
CCA	Expand Green Transit Grants	30,000
CCA	Expand Special Needs Transit Grants	30,000
New Programs		
CCA	Rural Electrification Transit Planning Grants	3,000
CCA	Transit Access Program	10,000
FED	Connecting Bikeways and Trail Networks	7,200
Total		148,100

CCA: Climate Commitment Act funds (Carbon Emissions Reduction Account)

FED: Federal Jobs Act Funds MMA: Multimodal Account

Climate Agenda - Clean Green Transportation

\$'s in Thousands

Ferry Electrification	2022	2023-25
1st Hybrid Funding	26,200	
2nd Hybrid Funding	19,000	189,000
Jumbo Mark II Vessel Conversion	38,500	
Terminal Electrification	7,600	42,700
Total	91,300	231,700

* Puget Sound Capital Construction Account supported by one-time GF-S transfer

Ferry reliability

Attract new employees

- Continuous hiring
- External recruiting firm
- Staffing

Retain employees

- Enhance employee retention
- Increase training and development key positions
- Expand PASS program to WSF
- Internships

Efficiency

- MOU to shift employees
- Dispatch system

Ferry reliability (Continued)

		\$'s in thousands	
Ferry Workforce Investments		Supp 2022	23-25*
1	Continuous Hiring (Support Ongoing versus Seasonal Hiring)	100	200
2	External Recruiting (Support External Recruiting Assistance)	200	200
3	Additional HR Staff (Support Increased HR Recruitment Work)	200	200
4	Enhance Employee Retention (Support Guaranteed Pay and Schedules versus On-Call)	7,500	15,000
5	Increase Training (Support Advancement Through Ferry System)	660	1,300
6	PASS to Maritime (Pre-Apprenticeship Support for Maritime Workers)	1,500	1,500
7	MOU Shift Employees (Support Vessel Staff on Active versus Inactive Vessels)	100	
8	Dispatch System (Modernize Dispatch System to Improve Efficiency)	4000	10,000
9	Additional Port Captain and Dispatchers (Additional Vessel and Dispatch Staff)	354	
10	Maintain Steel and Electronics (Eagle Harbor Workforce Investment)	1672	
11	Support Ferries Internships	194	
12	Ongoing Labor Costs (Funds to Support Minimum Labor Costs)	4,667	
13	Training (Vessel Familiarization)	1,107	
14	Total	22,254	28,400

* Items 1-8 and 23-25 biennium spending supported by one-time GF-S transfer.

Infrastructure Investment and Jobs Act

IIJA signed on Nov. 15, 2021 and became effective immediately

\$1.2 trillion total nationwide

- \$550 million *new* funding
- Estimated \$5.443 billion in federal-aid highway funding to Washington state
- Estimated \$1.79 billion in transit formula funding to Washington state
- Creates new formula, competitive and discretionary grant programs

Reauthorizes for FY2022-FY2026 several surface transportation programs including the:

- Federal-aid highway program
- Transit programs
- Highway safety
- Motor carrier safety
- Rail programs

Infrastructure Investment and Jobs Act

\$'s in Thousands

New Jobs Act Funding- State Share	2022	2023-25	Total 2022-2025
Existing Programs			
Bridge Repair Preservation	17,949	53,848	71,797
Asphalt Roadways Preservation	17,949	53,848	71,797
Highway System Preservation	702	2,107	2,809
Collision Prevention	1,627	4,882	6,509
New Jobs Act Programs			
Bridge Repair Preservation	36,897	110,692	147,589
National Electric Vehicle Charging Program	14,100	14,100	28,200
Carbon Reduction Program – Bikeways and Regional Trails	7,200	0	7,200
PROTECT – (Allocated to Highway System Preservation)	7,200	21,765	28,965
Total	103,624	261,242	364,866
Total Additional Preservation	82,324	247,142	329,466

*Assumes continuing existing state local split for existing programs, 65 local/35 state split for Carbon Reduction Program, all state National Vehicle Charging Program and 61 state/39 local split Bridge Repair Preservation and PROTECT Program.

Keeping our commitments

SR 520 \$406 million funding gap

- \$200 million additional ARPA
- \$80 million in bonds to be sold in 2029-2031 biennium
- \$126 million cash

I-405/ SR 167 \$450 million funding gap

- \$300 million additional ARPA
- \$70 million in sales tax deferral
- \$80 million cash

High-speed ground transportation \$54 million

- Advance project and position state to apply for potential future federal funds
- Funding to satisfy potential state match for federal funds

Equity

- Funding for all state employees to attend diversity, equity and inclusion training
- Washington State Patrol \$1.4 million
 - Enact DEI initiatives and address disparities in hiring and recruiting
- Department of Transportation \$1.4 million
 - Promote access to construction careers for women, people of color and communities that are underrepresented in the construction and transportation trades.
- HEAL Act (E2SSB 5141) \$526 thousand
 - Fully funds agencies needs to implement bill



FOR MORE INFORMATION:

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