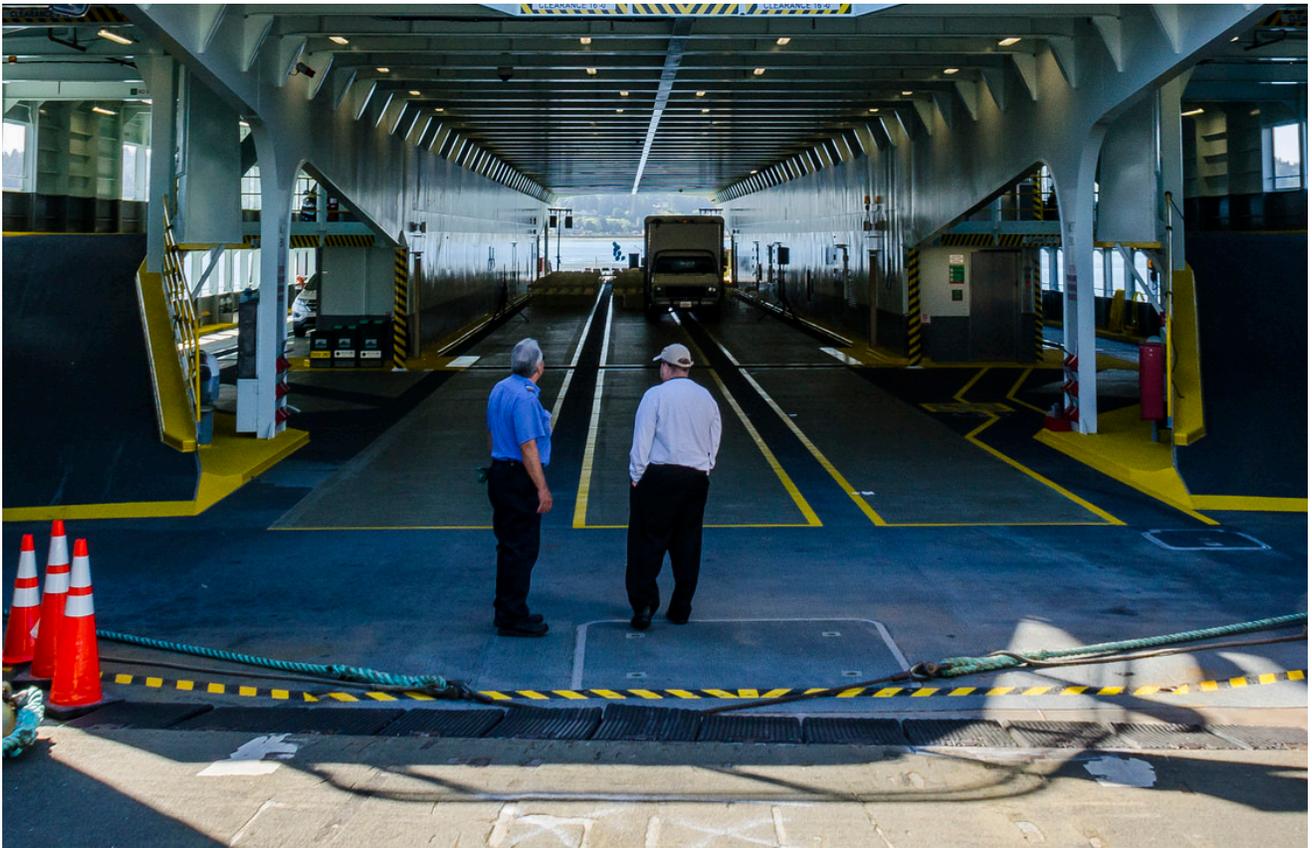




2019-21

TRANSPORTATION ADDENDUM TO THE BUDGET INSTRUCTIONS



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2019-21

TRANSPORTATION ADDENDUM

Introduction

Transportation budget instructions

This document is intended to supplement budget instructions for transportation agencies. Use it in conjunction with the Office of Financial Management's (OFM) operating and capital budget instructions. Direct any questions on what is required for your agency's budget submittal to your transportation budget [analyst](#).

Transportation goals

Transportation agencies should develop their budgets within the context of the six goals adopted by the Legislature and codified in RCW [47.04.280](#):

- **Economic vitality:** To promote and develop transportation systems that stimulate, support and enhance the movement of people and goods to ensure a prosperous economy.
- **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:** To improve the predictable movement of goods and people throughout the state, including congestion relief and improved freight mobility.
- **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.

In a summary document, identify: (1) the initiatives and investments in the base budget or proposed requests that tie to one or more of these goal areas; and (2) the specific and targeted outcomes that are expected.

Agency budget submittal requirements

Washington State Patrol

Narrative summaries of:

- Update on recruitment and retention issues, including projected retirements for the 2019-21 biennium.
- Academy class schedule proposed for the 2019-21 biennium.
- Vehicle and aviation fleet life-cycle analysis and replacement plan.

County Road Administration Board

- Supporting statistical information, including status of rural roads, rural bridges and all-weather road programs

- A table detailing grant awards for the current biennium and anticipated new awards for the 2019-21 biennium for the following programs:
 - » Rural Arterial Program (RAP)
 - » County Arterial Preservation Program (CAPP)
 - » County Ferry Capital Improvement Program (CFCIP)

Transportation Improvement Board

- Supporting statistical information, including status of sidewalks, urban arterials and small city arterial programs.
- A table detailing grant awards for the current biennium and anticipated new awards for the 2019-21 biennium for the following programs:
 - » Small City Arterial Program (SCAP)
 - » Small City Sidewalk Program (SCSP)
 - » Small City Preservation Program (SCPP)
 - » Urban Arterial Program (UAP)
 - » Urban Sidewalk Program (SP)
 - » Arterial Preservation Program (APP)

Freight Mobility Strategic Investment Board

A table detailing grant awards for the current biennium and anticipated new awards for the 2019-21 biennium for the Freight Mobility Program.

Financial plan

Transportation agencies designated as a fund administrator should submit to OFM a four-year financial plan for all funds they administer that covers the current (2019-21) and ensuing (2021-23) biennia. Agencies should include documentation on assumptions made in the plan, contractually obligated increases, inflation and bond interest rates, etc.

Backlog reduction plan

State law requires that the budget include a strategic plan for reducing the backlog of maintenance and repair projects. See RCW [43.88.030](#) and references in the capital budget instructions.

Washington State Department of Transportation (WSDOT)

Grant programs

The following grant programs within WSDOT must submit a table detailing reappropriations and new awards. Information will include project title, lead agency, total project cost, grant request, biennium awarded and catalog of federal domestic assistance number where applicable.

- Program F – Aviation Grants
 - » Preservation
- Program V – Public Transportation Grants
 - » Rural Mobility Grants
 - » Special Needs Grants
 - » Vanpool Investment Program
 - » Regional Mobility Grant Program
 - » Transit Project Grants
- Program Y – Rail Grants
 - » Freight Rail Assistance Program
 - » Freight Rail Investment Bank Loans

- Program Z – Local Programs Grants
 - » Safe Routes to School Grants
 - » Pedestrian and Bicycle Safety Grants
 - » Surface Transportation Program Enhancement Grants
 - » National Highway Freight Program Grants

Operating programs

Ferry Operating Program (X)

WSDOT must include the following ferry-specific information to support its operating budget request:

1. Information that supports the need for maintaining, expanding or reducing service. Vehicle and passenger ridership forecast data also should be included.
2. WSDOT is required to set level-of-service standards on ferry routes in consultation with local governments. Submit level-of-service information with the budget request.
3. Fuel price changes are a maintenance level (ML) decision package (DP) item. Identify any change to the estimated number of gallons separately in a DP. Document diesel and biodiesel assumptions.

Capital programs

Transportation Executive Information System (TEIS) and required project information

RCW [47.05.030](#) requires the submittal of a 10-year investment plan. Capital transportation projects are included in the following WSDOT programs:

- Program D – Capital Facilities
- Program I – Improvements
- Program P – Preservation
- Program Q – Traffic Operations
- Program V – Public Transportation
- Program W – Washington State Ferries
- Program Y – Rail
- Program Z – Local Programs

Unless specifically required, enter transportation capital information into TEIS at the Budget Identification Number (BIN) level of detail in a manner consistent with the last legislatively enacted project list. Project list transmittals must comply with the TEIS data sharing agreement.

To the extent possible, WSDOT will include a narrative that explains why projects proceeded more slowly or quickly than was anticipated in the last enacted budget. Additionally, WSDOT will submit written narratives to explain project overruns or underruns that exceed \$500,000, or 10 percent, when compared to the last legislatively enacted project list.

Identify contingency costs and risk reserves in a separately submitted spreadsheet for projects greater than \$5 million, and provide an explanation of the allocation process. For each project, you must identify the initial risk reserve and remaining risk reserve.

WSDOT must submit one project list for both the second supplemental request in the 2017–19 biennium and the 2019–21 base budget request. The project list will show expenditures for 2017–19, 2019–21, 2021–23, 2023–25, 2025–27, 2027–29, 2029–31, 2031–33, 2033–35 and “future.”

Agencies will increase the cost assumed in future biennia by an appropriate inflation factor. The agency submitting the capital project list will provide a narrative document with its budget submittal that details the inflation factor used and the assumptions used to determine the factor. WSDOT must separately itemize all requests for the construction of new buildings in its proposed TEIS project list.

WSDOT must provide a narrative and explanation for any change in Administrative Support or Overhead cost (sub-programs I5, P4, W1 and W2), including new or unusual items. Inflate outer years, projected costs consistent with agreed upon financial planning processes.

WSDOT must provide a summary of consultant usage in all operating and capital programs in 2017–19 and projected usage for 2019–21.

Summary of “Section 601” changes (OFM-approved cost changes)

WSDOT will include a summary of all Section 601 requests during the prior biennium by:

- Fund
- Phase in which the project increase occurred
- Region

Nickel, TPA, and Connecting Washington status reports

WSDOT will provide an update with each budget submittal that compares the original project cost estimates in the 2003, 2005 and 2015 transportation lists to the completed costs of the project (or the most recent legislatively approved budget and total project costs for projects not yet completed).

Capital facilities

As required by Chapter 86, Laws of 2012, WSDOT must itemize all requests for the construction of new buildings in a TEIS project list. Requests for any new building facility must adhere to OFM’s capital budget [instructions](#).

Mega projects

For each mega-project active in the upcoming biennium, WSDOT will submit a funding plan summary that includes the original project cost estimate and the current project cost estimate; the work completed to date; the work that will be completed in the ensuing biennium; and planned expenditures for the outer biennia. WSDOT will also submit a list of BINs that make up the mega-project’s current project cost estimate. Subprojects and their subtotals must also be included for each mega-project.

Ferry Capital Program (W)

WSDOT must include the following ferry-specific information to support its capital budget request:

1. WSDOT must submit the vessel rebuild and replacement plan developed and maintained in accordance with RCW [47.60.377](#). The plan must include a summary of the proposed vessel deployment plan with the budget that includes a table showing vessel deployments by biennium, route number and class of vessel for the entire planning period (e.g., the “Lego chart”).

2. Project list requirements:

- a. Submit terminal projects under the W1 Subprogram with the same detail shown on the LCCMReport.
- b. Submit vessel projects under the W2 Subprogram at the BIN level and supplement with a detailed PIN list describing the specific scope of work to be performed in a current biennium as it ties to the specific budget submittal.

Definitions

Capital project. A capital project is a project to construct new infrastructure or significant long-term renewal or improvements to existing infrastructure. A capital project usually has a useful life of at least five years and typically requires the involvement of an architect or engineer. Grants made by the state to fund capital projects for other entities are often included in a capital program. Studies for the benefit of capital projects or programs may also be included in a capital program.

Preservation project. A preservation project is defined in accordance with RCW [47.60.005](#). It maintains, preserves and extends the life of existing state facilities and assets, and does not significantly change the use of a facility or asset. Preservation projects generally have little effect on future operating programs and budgets, except for reductions in the agency's maintenance costs and the deferred maintenance backlog.

Improvement project. An improvement project is defined in accordance with RCW [47.60.005](#). It primarily achieves a program goal, such as changing or improving the characteristics of an existing asset to meet new program requirements or creating a new asset through construction, lease and/or purchase.

This category is less concerned with life extension of an asset, and includes projects ranging from building new assets to significant renovation of existing assets. Improvement projects may also improve conditions, accommodate changes in service or clientele, or maintain or increase federal reimbursement.

Improvement projects must be tied to the statewide goal areas and strategies, organizational and program goals, and objectives and activities:

- Certain types of capital spending that cannot be categorized as preservation are categorized as improvements. This includes projects for utilities or other systems not replaced on a standard life cycle, assets not yet built and other nonpreservation items. (RCW [47.60.005](#) and RCW [47.60.345](#).)
- Additionally, each improvement project includes an allocation of system-wide and administrative capital program costs that are separately identifiable from direct project costs. (RCW [47.60.335](#))
- Finally, if a project meets both the improvement and preservation definitions, it is classified as an improvement project. (RCW [47.60.005](#).)

State law provides a definition of ferry improvements in RCW [47.60.005](#), RCW [47.60.335](#), RCW [47.60.345](#) and RCW [47.60.355](#).