



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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April 16, 2021

Honorable Steve Hobbs
Washington State Senate
P.O. Box 40444
Olympia, WA 98504-0444

Dear Senator Hobbs:

Congratulations on releasing the full Forward Washington transportation revenue package. Governor Inslee strongly supports moving forward to pass a transportation package this session, and he continues to be interested in working with you and others as a package proceeds.

There are some areas in the Forward Washington package released on April 14 that we would support in a new revenue package, including increasing the gas tax, identifying cap and invest revenues to support transportation, and increasing certain fees and the rental car tax. Additionally, we appreciate efforts to fund the I-5 bridge over the Columbia River, to fully fund work toward meeting our federal fish passage barrier injunction requirements, to replace aging ferry vessels with new hybrid-electric vessels, and to support grid electrification grants at the Department of Commerce.

The proposal also includes areas of concern, such as the transfer of sales tax revenues from electric and hybrid vehicles to the transportation budget, underfunding of the preservation and maintenance needs over the next 16 years, reliance on an assumption of unidentified future federal funds to support the fish passage barrier removal program, lack of significant investments in safety projects and programs as well as climate friendly transportation options, and a general concern of how the work in the Forward Washington package will align both with the delivery of and funding for the ongoing Connecting Washington program.

Additionally, as the Department of Revenue testified, there are policy concerns with the 1% increase in the sales tax on automobile parts and accessories, the special transportation benefit assessment on certain property, and the pre-trip fee on prearranged food delivery trips.

Thank you for your consideration. We are ready to assist you as you move forward with the revenue package.

Sincerely,

David Schumacher
Director

cc: Honorable Christine Rolfes
Kelly Simpson, Staff Coordinator, Senate Transportation Committee
Michael Bezanson, Staff Coordinator, Senate Ways & Means Committee
Jamila Thomas, Chief of Staff, Governor's Office
Nona Snell, Assistant Director for Budget, OFM
Erik Hansen, Senior Budget Assistant, OFM
Debbie Driver, Senior Policy Advisor, Executive Policy Office