



STATE OF WASHINGTON
OFFICE OF FINANCIAL MANAGEMENT

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February 26, 2024

TO: Honorable Marko Liias
Honorable Curtis King
Senate Transportation Committee

Honorable Jake Fey
Honorable Andrew Barkis
House Transportation Committee

FROM: David Schumacher
Director

**SUBJECT: OFM CONCERNS WITH HOUSE AND SENATE SUPPLEMENTAL
TRANSPORTATION BUDGETS**

We recognize the considerable effort it took to develop your 2024 supplemental budget proposals. As you work toward a final agreement, we ask that you write a sustainable budget that reflects the priorities outlined in this memorandum. Additionally, Office of Financial Management staff will provide specific technical and other concerns separately to your staff.

The final transportation budget should support the fundamentals of our transportation systems, which include providing enough State Patrol staff to ensure safety on our highways, continuing encampment resolution, maintaining roadways and multimodal systems, improving our ferry systems, and correcting fish barriers. These items, along with efforts to reduce climate impacts, will lead to a viable, healthy and efficient transportation system for all users.

The final budget also needs to clearly communicate expectations to the Washington State Department of Transportation on how to prioritize capital projects.

Public safety and other services

The proposed budgets continue to significantly cut Washington State Patrol staff. To provide basic public safety functions, the state needs additional troopers, dispatchers, and other support staff. These positions, along with required training, are necessary to keeping our roadways safe, especially as traffic fatalities continue to rise. The governor's level of funding is needed to hire troopers and support positions to avoid hiring freezes that could start as soon as May 2024.

Encampment resolution on rights of way

The Governor, House and Senate supplemental budget proposals include funding for the Department of Transportation (WSDOT) to continue working with partners to relocate people living on state-owned rights of way into housing. This funding supports the coordination with local providers, the Department of Commerce, and law enforcement, and cleans up sites after individuals are relocated. It is also necessary to maintain these sites to avoid future encampments. House and Senate funding for encampment resolution falls considerably short of the amount needed for WSDOT to continue this work during the remainder of the biennium. Because it will spend the entire current \$7 million appropriation before the close of fiscal year 2024, an additional \$10 million is necessary to continue this work.

Highway maintenance

A substantial decrease in highway maintenance funding, especially in the Senate budget, will hinder WSDOT's ability to keep mountain passes accessible during winter storms, repair highway damage, manage litter and graffiti, and perform other essential activities for the operation of our roads and bridges that ensure the safety of travelers. Additional directives, such as high visibility pavement markings added in the House, should be paid for with new funding instead of redirecting base funding.

Fish passage barriers

Additional future funding is needed to comply with the federal *U.S. v. Washington* court injunction from 2013. We appreciate that both the House and Senate budgets include an additional \$150 million, as the governor's proposal did, to remove fish passage barriers. Despite this additional funding in all three budgets, costs continue to rise and further conversation is needed to address this challenge. Although not necessarily needed in the 2024 supplemental budget, we look forward to working with you and WSDOT on funding requests for the 2025 supplemental and 2025-27 budgets.

Electrifying vehicles to reduce emissions

Electrifying vehicles — whether through investments in cars, school buses, ferries or charging infrastructure — is essential to reducing greenhouse gas emissions from the transportation sector and to transition to electric vehicles by 2030. We ask that the final budget include the House level of funding for these items.

Department of Licensing

The House and Senate budgets do not fund the Department of Licensing (DOL) at the level necessary for the agency to operate effectively. DOL needs full funding for office relocations, IT system enhancements, and staff to implement the federal REAL ID Act and serve the public. Neither budget provides adequate funding, and the Senate budget goes further by reducing staff who provide these required functions. Funding for DOL operations should be restored to the governor's level.

Capital

The House and Senate transportation capital budgets approach WSDOT's capital improvements program differently. Because of the future revenue and delivery constraints, we continue to request direction to the department on moving forward with projects during the remainder of the biennium. Which projects should go to bid and start construction and which ones should be postponed? Without this information, you are putting the department in the position of having to make those decisions, which may or may not reflect legislative priorities. Clear expectations will result in the department's ability to construct highways while setting realistic project delivery expectations for communities and their legislators. We would like to continue working with you as you come to an agreement on a funding and construction schedule approach that ensures this objective is met.

Thank you for your consideration. We appreciate your continued support for the ferry system through additional workforce and training funding and the capital investments in sustainable electric-hybrid ferries. We look forward to continuing discussions with you and your staff as you work on the final budget.

cc: Kelly Simpson, Staff Coordinator, Senate Transportation Committee
Mark Matteson, Staff Coordinator, House Transportation Committee
Nona Snell, Budget Director, Office of Financial Management
Erik Hansen, Senior Budget Advisor, Office of Financial Management
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