



A Current Law Transportation Budget is Enacted; Will a New Transportation Revenue Package be Next?

Briefly

- The Legislature has enacted a current law transportation budget for 2015–17.
- It appropriates \$7.619 billion in operating and capital funds, a reduction of 16.9 percent from 2013–15.
- \$2.228 billion is appropriated for highway improvements, including \$1.765 billion for projects funded by the 2003 Nickel and 2005 Transportation Partnership programs.
- \$515.9 million is appropriated for highway preservation projects.
- \$410.5 million is appropriated for highway maintenance.
- \$745.3 million is appropriated for state ferries.
- \$1.521 billion is appropriated for debt service.
- The Legislature also passed a 2013–15 supplemental that reduces funds for the biennium by \$702 million.

Washington has three budgets:

- The operating budget funds day-to-day operations.
- The capital budget funds acquisition and maintenance of buildings, public lands, etc.
- The transportation budget funds construction and maintenance of transportation projects.

Budgets are adopted on a biennial basis. Supplemental budgets make changes to the adopted biennial budget to account for caseload or economic changes.

The operating budget is taking up so much oxygen in Olympia that neither a new transportation revenue package nor a capital budget has been agreed to by the Legislature. The Legislature has, however, enacted a current law transportation budget (2ESHB 1299). It provides funding for maintenance of existing investments and for completion of many of the Nickel (2003) and Transportation Partnership Act (2005) projects.

As passed by the Legislature, total appropriations for 2015–17 in the transportation budget are \$7.619 billion. This represents a 16.9 percent reduction from the 2013–15 budget (including the 2014 supplemental), in which total appropriated funds were \$9.165 billion.

Additionally, the budget bill includes a 2013–15 supplemental. It reduces total appropriated funds for the biennium by \$702.0 million. That includes a reduction of \$470.4 million in highway improvement funds and a reduction of \$63.8 mil-

lion in highway preservation funds. According to a summary document, Washington State Department of Transportation construction delays were a reason for the reductions (LEAP 2015).

2015–17 Appropriations

Of the \$7.619 billion in total appropriations, \$2.333 billion is for operating projects, \$3.765 billion is for capital projects, and \$1.521 billion is for debt service. (Total budgeted funds in the transportation budget, including non-appropriated funds, are \$7.756 billion.)

Department of Transportation. Of total appropriated funds in the transportation budget, 65.8 percent go to the Department of Transportation (WSDOT). Operating appropriations for WSDOT include \$410.5 million for highway maintenance and \$483.8 million for maintenance and operation of state ferries.

Of capital appropriations for WSDOT, \$2.228 billion are for highway improve-

Table: 2015–17 Transportation Appropriations (Dollars in Thousands)

	Operating	Capital	Total
Department of Transportation	1,560,105	3,452,512	5,012,617
Highway Improvements		2,228,329	2,228,329
Highway Preservation		515,916	515,916
Highway Maintenance	410,545		410,545
State Ferries	483,758	261,510	745,268
Rail	58,789	383,930	442,719
Public Transportation	131,542		131,542
Toll Operations and Maintenance	85,028		85,028
Other	390,443	62,827	453,270
Washington State Patrol	425,780	5,310	431,090
Department of Licensing	295,436		295,436
Transportation Improvement Board	3,915	193,383	197,298
County Road Administration Board	4,733	87,956	92,689
Other	42,894	25,692	68,586
Subtotal	2,332,863	3,764,853	6,097,716
Debt Service	1,521,033		1,521,033
Total Appropriations	3,853,896	3,764,853	7,618,749

ments (to “increase highway capacity, reduce congestion, increase mobility, and prevent collisions”). These include \$1.765 billion in projects funded by the 2003 Nickel Account and 2005 Transportation Partnership Account, including completion of the SR 99 tunnel replacement for the Alaskan Way Viaduct (\$639.8 million), construction of the SR 520 floating bridge (\$379.1 million), I-5 high-occupancy vehicle lanes in Tacoma (\$275.3 million), and I-90 widening from Keechelus Dam to the Stampede Pass interchange (\$108.5 million). Additionally, \$515.9 million is appropriated for highway preservation projects (which preserve “the structural integrity of the state highway system”). For state ferries capital projects, \$261.5 million is appropriated, including \$73.0 million for a new vessel.

Debt Service. \$1.521 billion is appropriated for debt service for transportation bonds that will be issued during 2015–17.

Other. Appropriations for the Washington State Patrol total \$431.1 million, most of which is operating funding. The Department of Licensing receives \$295.4 million in operating appropriations. The Transportation Improvement Board and the County Road Administration Board receive \$193.4 million and \$88.0 million, respectively, in capital appropriations to provide grants for city and county transportation projects.

Transportation Revenue Sources

The transportation budget is funded by state, local, and federal sources and by bonds. In 2013–15, 23 percent of total revenues came from the fuel tax, 23 percent came from bonds, and 26 percent came from federal funds. The rest came from a variety of taxes and fees (JTC 2015).

The state fuel tax is currently 37.5 cents per gallon. It was increased by 5 cents per gallon in 2003 to help fund the Nickel package, which invested \$3.9 billion over 10 years for 158 projects. In 2005, the Transportation Partnership Act (TPA) was enacted; the \$7.1 billion investment funds 274 projects over 16 years. TPA increased the gas tax by 9.5 cents (phased in over four years). The fuel tax has not been increased since then.

Comment

This current law transportation budget provides needed funds for operations and maintenance of our state’s transportation systems, and it appropriates funds to nearly complete the Nickel and TPA projects that were enacted a decade ago.

But Washington has growing infrastructure needs that go beyond this, as we wrote earlier this year in a report on the Senate-passed transportation revenue package (WRC 2015). Recently a broad coalition wrote to Gov. Inslee and the Legislature, urging them to “pass a balanced transportation revenue and reform package this session” because of

the vital importance of a transportation package and the economic activi-

ty, jobs, quality of life and environmental enhancements, mobility, safety, transit, multimodal and congestion relief benefits that go with it. (AWB et al. 2015)

There are only a few days left in the second special legislative session, but, as the coalition notes in its letter, passage of the operating budget need not preclude passage of a transportation package.

References

Association of Washington Business (AWB) et al. 2015. [Letter to Gov. Jay](#)

[Inslee and legislators](#). June 23.

Joint Transportation Committee (JTC). 2015. ["Transportation Resource Manual."](#)

Legislative Evaluation and Accountability Program Committee (LEAP). 2015. ["Transportation Budget Summary."](#) May 27.

Washington Research Council (WRC). 2015. ["Senate Transportation Package Would Begin to Address State's Significant Infrastructure Needs."](#) SR 15-03. March 26.