



BRIEFLY

The Senate transportation budget demonstrates the inadequacy of current transportation revenues. Although adopted overwhelmingly, the budget simply sets the stage for discussion of tax and fee increases to support a long-term solution later in the session.

Senate Passes Skinny Transportation Budget

To little applause but with considerable (albeit reluctant) bipartisan support, the Senate passed a transportation budget that generally relies on existing revenues and maintains existing congestion. ESSB 5327 passed the Senate March 23, on a 44-2 vote. It might best be considered a demonstration budget – demonstrating how little can be done without new taxes or fees.

The combined capital and operation budget amounts to about \$3.4 billion for the two-year biennium. About 80 percent of the total goes to the department of transportation, as shown in Figure 1.

An expanded transportation budget is anticipated in the next couple of weeks. Lawmakers are working with the governor's office, attempting to craft a package that can win the support of the both parties and the approval of the voters should the plan end up on a fall ballot. Nonetheless, it makes sense to briefly review the highlights of the so-called "Living Within Our Means" budget.

Revenues. As discussed earlier, in *ePB 01-6, Governor's Transportation Budget Reflects Blue Ribbon Recommendations*, transportation revenues for the biennium continue the three biennia decline, reflecting both the effect of Initiative 695 and stagnation in gas tax revenues. To offset this decline, the Senate makes a number of transfers and fee increases.

The Senate proposes ongoing transfers of interest earnings – about \$70 million a biennium – from the Emergency Reserve Account to the Multimodal Transportation Account. Also, \$40 million in ongoing biennial funds are transferred from the general fund to the Puget Sound Ferry Operations Account.

In addition, the Senate anticipates nearly \$40 million in additional revenue from the fee increase imposed by I-695 (in repealing the MVET, the initiative set the license fee slightly higher than previously authorized). The additional dollars are permanently redirected from the State Patrol to the Motor Vehicle Account. Ferry fares are projected to increase \$30 million a biennium as a result of planned fare hikes. An additional \$13 million is expected from reimposition of trailer fees and increased rebuild inspection fees, approved in separate legislation correcting an oversight in last year's legislative repeal of the MVET and imposition of a \$30 license fee.

Expenses. As might be expected, the budget provides little in new spending, basically sustaining current programs. For example, consider the nearly \$1.8 billion in state highway spending.

About \$876 million is targeted for highway improvements: \$500 million is set aside for capacity improvements, including \$110 million HOV lanes; \$153 million for safety; \$157 million for economic initiatives; and \$19 million for environmental projects.

108 S. Washington St., Suite 406

Seattle WA 98104-3408

PH 206-467-7088

FX 206-467-6957

www.researchcouncil.org



FIGURE 1
Spending Under ESSB 5327

	2001-2003 Appropriation
Department of Transportation	
Highway Management & Facilities	60,790
Aviation	5,012
Improvements - Mobility	498,725
Improvements - Safety	152,931
Improvements - Economic Initiatives	157,433
Improvements - Env. Retro	19,026
Tacoma Narrows Bridge	47,698
Transportation Economic Partnership	2,553
Highway Maintenance	278,828
Preservation - Roadway	307,914
Preservation - Structures	163,064
Preservation - Other Facilities	117,168
Traffic Operations	53,756
Transportation Management	105,897
Transpo. Plan, Data, Research	36,659
Charges from Other Agencies	29,168
Public Transportation	17739
State Ferries - Capital	188850
State Ferries - Operations	321,027
Rail	45,669
Local Programs	95,763
Total WSDOT	2,705,670
Washington State Patrol	
Field Operations Bureau	169,334
Support Services Bureau	71,087
Capital	480
Total State Patrol	240,901
Department of Licensing	
Management & Support Services	12,592
Information Systems	9,257
Vehicle Services	59,105
Driver Services	83,734
Total Licensing	164,688
Legislative Transportation Committee	
LEAP Committee	3716
Board of Pilotage Commissioners	461
Utilities and Transportation Commission	305
WA Traffic Safety Commission	126
County Road Administration Board	8,663
Transportation Improvement Board	79,020
Marine Employees' Commission	210,695
Transportation Commission	332
Freight Mobility Strategic Investment Bd.	773
State Parks and Recreation Commission	586
Total Other Agencies	1,582
Grand Total Capital and Operations	3,417,518

Source: Senate Transportation Committee

Highway preservation efforts would receive about \$588 million, including \$32.6 million for emergency earthquake repairs.

And \$333 million is provided for highway maintenance and operations.

The state ferry system will receive \$510 million: \$321 for operations on existing auto ferry routes and \$189 million for vessel and terminal preservation. Passenger-only ferry service from Bremerton and Vashon Island to Seattle would continue, funded in part by the ferry fare increases.

Comment. Against the backdrop of the need to boost transportation spending by at least \$9 billion over the next six years, the current law budget is clearly inadequate, as nearly all observers agree. Given the testimony at the Senate Transportation Committee hearing on the “bare bones” approach (i.e., no new revenues), the budget could be called a “kick me” budget.

The Senate also responded to calls for reorganization of the Transportation Department by adopting SB 5755, which makes the secretary of transportation a gubernatorial appointee, subject to Senate confirmation. The bill also creates the Transportation Funding Board, replacing the Transportation Improvement Board, Freight Mobility Strategic Investment Board, and absorbing some responsibility of the County Road Administration Board. Finally, a Legislative Transportation Accountability Program is created to strengthen legislative oversight of the integrated statewide transportation system.

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