



Dollars in Thousands

# ABS024 Recommendation Summary

## Department of Transportation

### 2024 First Supplemental Budget Session

### 2024V1 - 2024 Supplemental Version 1

	Average Annual FTEs	General Fund State	Other Funds	Total Funds
CB T0PL Current Biennium Base	7,538.8	0	10,224,055	10,224,055
<b>2023-25 Current Biennium Total</b>	<b>7,538.8</b>	<b>0</b>	<b>10,224,055</b>	<b>10,224,055</b>
<b>Total Carry Forward Level</b>	<b>7,538.8</b>	<b>0</b>	<b>10,224,055</b>	<b>10,224,055</b>
Percent Change from Current Biennium	.0%	.0%	.0%	.0%
<b>Maintenance – Other Changes</b>				
ML 5W WSF Fuel Costs	0.0	0	(12,933)	(12,933)
ML 8F Fuel Rate Adjustments	0.0	0	1,321	1,321
ML AA Capital Projects	0.0	0	30,528	30,528
ML AB Capital Reappropriations	0.0	0	903,374	903,374
ML AV Tech Correction: Vacancy Savings	0.0	0	9,027	9,027
ML B1 Toll: Cust. Svc. Center (Reapprop)	0.0	0	1,241	1,241
ML B2 Toll: SR520-TNB Bridge Insurance	0.0	0	5,180	5,180
ML B4 Toll: O&M-Credit Card Fees	0.0	0	5,017	5,017
ML B5 Toll: O&M-Customer Correspondence	0.0	0	3,263	3,263
ML B6 Toll: SR520 O&M Reserve Increase	0.0	0	366	366
ML E1 TEF: Repair Parts Cost Increase	0.0	0	6,061	6,061
ML F1 Aviation: Pavement Study (Reapprop)	0.0	0	1,011	1,011
ML F2 Aviation: Methow Helipad (Reapprop)	0.0	0	1,156	1,156
ML F3 Aviation: Airport Grants (Reapprop)	0.0	0	450	450
ML HC Real Estate Services: Base Funding	0.0	0	1,600	1,600
ML MG Hwy Maint: Materials Cost Increase	0.0	0	23,500	23,500
ML VB PT: Special Needs (Reapprop)	0.0	0	225	225
ML VC PT: Green Transportation (Reapprop)	0.0	0	2,792	2,792
ML VE PT: Rural Mobility (Reapprop)	0.0	0	259	259
ML VG PT: Regional Mobility (Reapprop)	0.0	0	12,500	12,500
ML VH PT: Transit Projects (Reapprop)	0.0	0	4,431	4,431
ML VI PT: Rideshare (Reapprop)	0.0	0	216	216
ML VJ PT: Transit Support (Reapprop)	0.0	0	250	250
ML X1 WSF: Colman Dock Security	0.0	0	449	449
ML X2 WSF: Visual Paging & Software Lic.	0.5	0	148	148
ML X3 WSF-Resilience: Ongoing Labor Costs	0.0	0	23,662	23,662
ML X4 WSF: Marine Insurance Increase	0.0	0	1,628	1,628
ML X5 WSF: ADA Staff at Newer Terminals	2.9	0	658	658
ML X6 WSF: Credit Card Fees	0.0	0	150	150
ML Y1 Rail: Service Dev. Plan (Reapprop)	0.0	0	335	335
<b>Maintenance – Other Total</b>	<b>3.4</b>	<b>0</b>	<b>1,027,865</b>	<b>1,027,865</b>
<b>Total Maintenance Level</b>	<b>7,542.2</b>	<b>0</b>	<b>11,251,920</b>	<b>11,251,920</b>
Percent Change from Current Biennium	.0%	.0%	10.1%	10.1%
<b>Policy – Other Changes</b>				
PL MV Hwy Maint: RV Sanitary Disposal	0.0	0	600	600
PL X7 WSF-Reliability: SJI Crew Shuttle	0.0	0	330	330

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		<b>Average Annual FTEs</b>	<b>General Fund State</b>	<b>Other Funds</b>	<b>Total Funds</b>
PL X8	WSF-Service: Addl Orcas Island Stop	0.0	0	80	80
PL X9	WSF-Resilience: Ops Deputy Director	1.0	0	454	454
PL XA	WSF-Workforce/DEI: Add HR Support	2.0	0	538	538
PL XB	WSF-Resilience: Addl Dispatch Staff	4.0	0	935	935
PL XC	WSF-Resilience: Emergency Manager	0.5	0	132	132
PL XD	WSF-Service: Kitsap Transit PO	0.0	0	1,000	1,000
PL XE	WSF-Workforce: Addl AB to Mate Prog	0.0	0	4,258	4,258
PL XF	WSF-Resilience: Vsl Crew above COI	101.7	0	24,078	24,078
<b>Policy – Other Total</b>		<b>109.2</b>	<b>0</b>	<b>32,405</b>	<b>32,405</b>
<b>Subtotal - Policy Level Changes</b>		<b>109.2</b>	<b>0</b>	<b>32,405</b>	<b>32,405</b>
<b>2023-25 Total Policy Level</b>		<b>7,651.4</b>	<b>0</b>	<b>11,284,325</b>	<b>11,284,325</b>
Percent Change from Current Biennium		1.5%	.0%	10.4%	10.4%

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**ML 5W WSF Fuel Costs**

The Washington State Department of Transportation requests a change to appropriation authority consistent with projected fuel prices from the June 2023 Transportation Revenue Forecast and fuel consumption estimates from Washington State Ferries. The June 2023 forecast indicates biodiesel fuel costs are lower than previously forecasted, and less appropriation authority is needed in the 2023--25 biennium than is assumed in the budget for fuel.

**ML 8F Fuel Rate Adjustments**

The Washington State Transportation Revenue Forecast Council provides quarterly updates for fuel prices. These effect various Washington State Department of Transportation (WSDOT) programs that use gas and diesel fuel for motor vehicles and equipment to maintain and operate the state highway system. Based on information from the June 2023 Transportation Revenue forecast, a budget adjustment is requested for changes in TEF.

**ML AA Capital Projects**

Funding is adjusted in the 2023-25 biennium to reflect current spending plans on legislatively approved projects.

**ML AB Capital Reappropriations**

The Department is requesting a reappropriation of funds for work that was expected to be done in 2021-23, but did not progress as planned and will need to be done in the 2023-25 biennium. The reappropriation summary report submitted with the budget outlines the methodology and assumptions of the reappropriations.

**ML AV Tech Correction: Vacancy Savings**

This request is seeking a technical correction of restoring \$9.027 million to account for the correct base funding available to programs to support the approved staffing levels for employee's salaries and benefits. The staffing-related funding used in the Legislature's original calculation base budget for the 4.5% vacancy savings rate inadvertently did not reflect appropriated funding levels available for salaries and benefits in Program C, D-Operating, H, K, M, Q-Operating, S, T, V, Y-Operating and Z -Operating. Staffing vacancy savings assumed in the ESHB 1125 impairs the ability of each individual program to fill authorized staffing positions, maintain operational capacity and provide anticipated service delivery levels.

**ML B1 Toll: Cust. Svc. Center (Reapprop)**

The Customer Service Toll Collection System project has experienced delays in meeting scheduled deliverables. Based on the updated project schedule, some delayed 2021-23 deliverables have been postponed to the 2023-25 biennium. Therefore, the department requests reappropriation of the approved project budget that is unspent from 2021-23 biennium to the 2023-25 biennium to align timing of contract payments with the project schedule.

**ML B2 Toll: SR520-TNB Bridge Insurance**

The Washington State Department of Transportation requests additional appropriation authority for increases in the cost of insurance premiums for SR 520 Bridge and the Tacoma Narrows Bridge.

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**ML B4 Toll: O&M-Credit Card Fees**

Due to an increasing number of customers traveling through toll facilities, toll collection costs such as credit card fees are expected to continue to increase in the 2023-25 biennium. In addition, with the replacement of the tolling back-office system in 2021, the Washington State Department of Transportation's (WSDOT) new vendor will be making improvements to the system's credit card processing functionality, which will increase credit card fees. Spending authority is requested to align budget with the anticipated credit card fee increases in the 2023-25 biennium.

**ML B5 Toll: O&M-Customer Correspondence**

Due to an increasing number of customers traveling through toll facilities, toll collection costs such as customer correspondence costs are expected to continue to increase in the 2023-25 biennium. Customer correspondence costs include the costs of mailing toll bills, other communications letters and communicating in volume with customers through email and SMS services. Spending authority is requested to align budget with the anticipated customer correspondence costs increases in the 2023-25 biennium.

**ML B6 Toll: SR520 O&M Reserve Increase**

Funding is requested to increase expenditure authority for funds in the SR 520 Operating and Maintenance (O&M) Reserve Subaccount. This account is required as part of the Master Bond Resolution (MBR) 1117 and is used to pay O&M expenses if available toll revenues are insufficient to pay all O&M expenses. As part of the MBR, toll revenue is being transferred to this reserve account. This package would provide WSDOT the authority to use the funds in this reserve account, if necessary. WSDOT is requesting a \$0.3 million increase to its current expenditure authority of \$12.5 million.

**ML E1 TEF: Repair Parts Cost Increase**

The Washington State Department of Transportation's Transportation Equipment Fund requests one-time funding for significant cost increases for repair parts. Cost increases reflect an overaged fleet, market conditions, and inaccessible parts inventory. Repair parts costs are higher across the fleet from materials shortages and suppliers' increased prices. Without additional funding in the 2024 supplemental budget, the department will not have functional equipment, putting the agency further behind in receiving equipment which is already experiencing delivery delays.

**ML F1 Aviation: Pavement Study (Reapprop)**

The Washington State Department of Transportation Aviation Division is requesting reappropriation of state and federal funding from the 2021-23 biennium to the 2023-25 biennium. The Federal Aviation Administration-required Airport Pavement Condition Study has been delayed due to division staffing shortages during the 2021-23 biennium. FAA grant funding has been awarded and the study is ready to proceed in the 2023-25 biennium.

**ML F2 Aviation: Methow Helipad (Reapprop)**

The Washington State Department of Transportation Aviation Division is requesting reappropriation of state and federal funding from the 2021-23 biennium to the 2023-25 biennium. The Methow Valley State Airport helipads project has already been designed using 100% Federal Aviation Administration grant funding. Due to higher-than-normal costs and bids not being accepted by the FAA, this project did not get completed in the last biennium as expected. The FAA has already awarded one grant that will partially cover the construction costs and is positioned to award added grant funding, subject to re-bidding the project.

**ML F3 Aviation: Airport Grants (Reapprop)**

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The Washington State Department of Transportation Aviation Division is requesting reappropriation of grant funding from the 2021-23 biennium to the 2023-25 biennium. The expected unspent state funding covers Airport Aid grants and Move Ahead Washington aviation grants. Airports use these grant funds to maintain and preserve infrastructure and as state match to take advantage of federal funding.

**ML    HC    Real Estate Services: Base Funding**

Funding is requested to restore base appropriation authority for Real Estate Services' surplus property activities.

**ML    MG    Hwy Maint: Materials Cost Increase**

The Washington State Department of Transportation requests additional appropriation authority to mitigate a rise in the cost of specific maintenance materials. The purpose of the Highway Maintenance Operations program is to ensure the highway infrastructure is maintained in good working order and operated continuously to allow for the movement of people and goods across the state. This requires the department to spend a sizable part of the program's budget to use materials such as guardrails, posts, asphalt, and deicer. In recent years, the increased unit cost of specific materials has reduced buying power and lessened the amount of repair work that can be done. Without added ongoing funding, the rising cost of these materials will continue to reduce the amount of work the department can do to maintain the state's highways.

**ML    VB    PT: Special Needs (Reapprop)**

The department is requesting reappropriation of \$225,000 for the Special Needs Transportation Grant Program. The program supplies funding for operating and capital projects designed to supply lifeline services for disadvantaged people and communities. It supplies access to dialysis, chemotherapy, mental health services, houses, jobs, education, and other services. Inflation, market conditions, labor shortages, and pandemic related closures have caused delays in manufacturers' ability to deliver vehicles as originally planned.

**ML    VC    PT: Green Transportation (Reapprop)**

The Green Transportation Capital Grant Program assists transit agencies to fund capital projects to reduce the carbon intensity of the Washington transportation system. Examples include electrification of vehicle fleets, capital facilities to facilitate fleet electrification and/or hydrogen refueling and upgrades to electrical transmission and distribution systems. The Washington State Department of Transportation is requesting a reappropriation of \$2,792,717 to complete four projects.

**ML    VE    PT: Rural Mobility (Reapprop)**

The Department is requesting reappropriation of \$259,044 for the Rural Mobility Grant Program for three projects. Construction and delivery delays have occurred due to market conditions, labor shortages, and business closures because of pandemic restrictions.

**ML    VG    PT: Regional Mobility (Reapprop)**

The Regional Mobility Grant (RMG) program provides funding for projects identified in LEAP Transportation Document 2023-2 that reduce travel delays and improve connections between counties and regional population centers. The Washington State Department of Transportation is requesting reappropriation of \$12.5 million because of continued delays in starting construction activities and the delivery of vehicles due in large part to continued COVID-19 pandemic regulations and restrictions and the resulting supply chain disruptions.

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**ML    VH    PT: Transit Projects (Reapprop)**

The Transit Projects (Tier Projects) provide funding for projects as identified in LEAP Transportation Document 2023-2. These projects help the state reach its goals of reducing greenhouse emissions and vehicle-miles traveled. These projects also facilitate increased efficiency, connectivity, and alignment between the different public transportation services, resulting in a better integration within the different modes of the overall transportation system. The department is requesting reappropriation of \$4.4 million to support the continuing work.

**ML    VI    PT: Rideshare (Reapprop)**

The department is requesting reappropriation of \$216,000 for one agency (Skagit Transit) to replace 7 rideshare vehicles where supply chain issues have caused the manufacturer to delay the delivery of the vehicles resulting in schedule changes from what was originally planned.

**ML    VJ    PT: Transit Support (Reapprop)**

The Transit Support Program assists transit agencies in filling funding gaps related to capital and operating projects and activities. The Legislature created this program knowing that public transportation needs are greater than what is traditionally available for projects. The Washington State Department of Transportation is requesting a reappropriation of \$250,000 for two projects where the manufacturers' delivery has been delayed.

**ML    X1    WSF: Colman Dock Security**

Ongoing funding is requested to provide 24-hour security, seven days a week at Colman Dock (Seattle Terminal) in downtown Seattle. Recent legislative funding is equivalent to 20 hours a day, and is provided for only the current biennium. Twenty-four-hour security is necessary at this location on a continuing basis to ensure the ferry riders can safely and efficiently navigate and move through the terminal, to discourage and address property damage and illegal drug use, and to allow Washington State Patrol officers to focus on homeland security.

**ML    X2    WSF: Visual Paging & Software Lic.**

Washington State Ferries requests funding for consistent staff support for customer Visual Paging Systems (VPS) needed to meet Americans with Disabilities Act requirements for Deaf and Hard of Hearing customers. In addition to this information technology support staff, this proposal also requests IT licensing costs for the PortLink software, to track vessel positions in relation to other vessels in the Puget Sound for safety and navigational purposes.

**ML    X3    WSF-Resilience: Ongoing Labor Costs**

Ongoing funding is requested for necessary labor costs for existing staffing at Washington State Ferries. This will cover regular time, overtime, and special pay category costs for deck, engine room and terminal staff. The department requests that (a) WSF be funded for the additional labor costs estimated to be needed for the 2023-25 biennium and (b) that coverage for these labor costs (and others funded in the original 2023-25 budget as one-time) be continued into 2025-27 biennium and beyond. This will prevent WSF from having uncertainty about service levels for its customers or making counterproductive reductions to vessel maintenance to compensate. WSF has had difficulty closing its budget within the appropriated level since 2015-17 and has mitigated this with a variety of one-time measures. In 2021-23, end of biennium transfer authority from an underspent program at WSDOT was used so that WSF could stay within budget. This option will not be available in 2023-25, so sufficient appropriation authority for the X program is needed.

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**ML X4 WSF: Marine Insurance Increase**

The Washington State Department of Transportation's Washington State Ferries (WSF) division has marine insurance coverage that includes loss protection for vessels and terminals, liability coverage for staff and third parties, and earthquake coverage. The department requests additional spending authority to pay for an unavoidable increase in its marine insurance policy. The marine insurance market is extremely limited, WSF is due to renew its policy, and the available vendor is increasing its rates. Approving this request will ensure continuous coverage of state assets and protect the agency against liability.

**ML X5 WSF: ADA Staff at Newer Terminals**

Funding is requested for additional staffing to assist customers with disabilities at the Mukilteo Terminal and Seattle Terminal (Colman Dock). The new ferry terminals are significantly larger and more complex than the older facilities, requiring enhanced staffing to ensure efficient operations and compliance with ADA regulations.

**ML X6 WSF: Credit Card Fees**

Funding is requested to cover the increased cost of the merchant fees for credit cards for the 2023-25 biennium. Washington State Ferries accepts credit card payments for fares and incurs merchant fees based on a percentage of the total transaction. Ridership projections are from the June 2023 Transportation Revenue Forecast. Based on the recent WSF data, total merchant fees are projected to increase slightly due to a greater percentage of transactions being made by credit cards for fare payments, resulting in higher merchant fees than the current budgeted level.

**ML Y1 Rail: Service Dev. Plan (Reapprop)**

The Washington State Department of Transportation requests reappropriation of unspent federal and state funds for the Cascades Service Development Plan to the 2023-25 biennium to complete the work as the federal grant expires December 31, 2023. There was a delay in agreement execution with Federal Rail Administration and BNSF due to the federal coordination and approvals that are needed at specific milestones for the project.

**PL MV Hwy Maint: RV Sanitary Disposal**

The purpose of the Highway Maintenance Operations program is to ensure the highway infrastructure is kept in good working order and in continuous operation to allow for the movement of people and goods across the state. To keep the highway system properly maintained, the program is requesting \$600,000 (on-going) for the operation and maintenance of RV sanitary disposal systems at safety rest areas. RCW 46.68.170 created the Recreational Vehicle Account (Fund 097) solely for the department to use for this work and current fund balances show available revenue to support this request.

**PL X7 WSF-Reliability: SJI Crew Shuttle**

This proposal provides funding to shuttle deck crew from Anacortes to Friday Harbor on San Juan Island to operate the Interisland vessel. These are "tour watches" which start in the afternoon, then crew sleep over and work the morning shift. The Interisland vessel ties up in Friday Harbor each night and does not sail to the mainland more than once per week. The shuttle would leave the mainland with the oncoming crew and get to Friday Harbor at the correct relieving time for the tour watch. Then the shuttle would bring back the leaving crew to the mainland. Making the Interisland route more attractive to crew will reduce the likelihood of missed sailings due to lack of crew.

**PL X8 WSF-Service: Addl Orcas Island Stop**

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Washington State Ferries requests funding for additional summer service in the San Juan Islands, specifically for Orcas Island. This would be accomplished by extending a current trip from Anacortes to Lopez Island that has additional vehicle capacity to include a stop at Orcas Island. The extended sailing would occur daily, Thursday through Monday, and would provide additional service for weekend travelers, for fourteen weeks during the busy summer season.

**PL X9 WSF-Resilience: Ops Deputy Director**

The purpose of this decision package is to support the establishment of a Deputy Director for Operations position within the Washington State Ferries (WSF). WSF operates the largest ferry system in the United States, serving millions of passengers and vehicles annually. The complex and extensive operational responsibilities of WSF necessitate the addition of a Deputy Director for Operations to manage the workload and enhance operational efficiency. This position will provide vital leadership support; strengthen relationships with stakeholders; and contribute to the overall success of WSF in delivering safe, reliable, and efficient marine transportation services.

**PL XA WSF-Workforce/DEI: Add HR Support**

Washington State Ferries is requesting added staffing for the WSF Human Resource Office to deliver the 2023-25 legislative budget requirements for recruitment, hiring, and Diversity, Equity and Inclusion focused collective bargaining analysis.

**PL XB WSF-Resilience: Addl Dispatch Staff**

Funding is requested for additional dispatch and bid administration staff at Washington State Ferries to address the increased after-hours workload and challenges faced by the WSF Dispatch and Bid Administration Team, and to avoid service cancellations. This proposal also responds to a demand to bargain from maritime unions.

**PL XC WSF-Resilience: Emergency Manager**

Washington State Ferries (WSF) requests support for emergency planning and management activities within the WSF system. This ongoing operational funding request would provide a dedicated Emergency Management Program Specialist position (1.0 FTE) and will fully support Governor Inslee's direction to state agencies on emergency management, specifically for areas served by WSF.

**PL XD WSF-Service: Kitsap Transit PO**

Washington State Ferries seeks state expenditure authority to provide supplemental passenger-only service from Bremerton to Seattle, provided by Kitsap Transit. The Legislature funded \$1 million one-time in the 2023-25 Transportation Budget for WSF to contract with Kitsap Transit to provide passenger-only trips from July through October 2023. WSF is requesting an extension in the 2024 Supplemental to continue this service from November 2023 through February 2024, until it anticipates restoring some additional auto-ferry service.

**PL XE WSF-Workforce: Addl AB to Mate Prog**

One-time funding is requested for additional support for Washington State Ferries workforce development efforts to address the shortage of licensed vessel deck officers by qualifying able bodied sailors to become mates. In addition to what was funded by the 2023 Legislature, this would fund an additional four class cohorts and contracted support by the Marine Institute for Technology and Graduate Studies. WSF has a chronic shortage of Licensed Deck Officers that has been exacerbated by accelerated retirements due to both the aging workforce and the pandemic. This results in a shortage of qualified crew in both the short and the long term.



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**PL      XF      WSF-Resilience: Vsl Crew above COI**

Funding is requested for additional crewing for Washington State Ferries. WSF would like to add more crew members above the United States Coast Guard (USCG)-mandated minimum crewing levels specified for each vessels' Certificate of Inspection (COI). This proposal would add crew members up to the USCG COI for fully restored service, regardless of season or route, plus an additional Ordinary Sailor and an additional Oiler on each watch. This is the minimum crewing level needed to support USCG emergency duties and improve schedule reliability for each of the vessels in the WSF fleet.

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<b>Input Parameters</b>	<b>Entered as</b>
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For Word	N
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