

State Transportation Budget 101

Value of the Multimodal Transportation Account

Transportation Demand Management Technical Committee

Adrian Down, Port of Seattle
Veronica Jarvis, TRPC

Marshall Elizer, Chair

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PRESENTATION PURPOSE

By the end of this presentation, the TDM Technical Committee will:

1. Have a deeper understanding of how the state transportation budget is developed.
2. Understand the importance of the Multimodal Account to local and statewide transportation demand management.
3. Understand the nature of the gas tax.
4. Have insight to how new transportation revenue packages could influence multimodal account funding.

WASHINGTON STATE BUDGETS

Transportation budget: \$10.5 billion^{1,2}

- WSDOT (\$8.4 billion, including \$1 billion for ferries) & other agencies
- 75% supported by gas tax³

Operating budget: \$102.1 billion^{1,4}

- Largely supported by sales, business and property taxes

Capital budget: \$5.2 billion¹

- Primarily funded through bonds and dedicated accounts

¹ 2020 enacted supplemental budgets – fiscal.wa.gov.

² Transportation budget includes \$1.6 billion in bond retirement and interest (debt payments).

³ Includes state and federal bonds backed by gas tax.

⁴ Operating budget includes \$3.1 billion in debt service, certain pension contributions, and special appropriations.

LEGISLATIVE ROLE IN FUNDING

Legislature appropriates most transportation funds.

- WSDOT generally cannot move money between programs.

Legislature authorizes revenue sources, rates, uses, and funds/accounts into which revenues will be deposited.

- Some funds/accounts are dedicated to specific uses.
 - For example, Puget Sound Ferry Operations Account to can't fund rail.

AGENCY BUDGET TIMELINE

July – August: Agencies finalize legislative proposals.

- Engagement on agency budgets starts in summer.

Mid-September: Budget requests due to Governor.

- Staff works to align requests with available funding.
- Determined by revenue forecast released in November.

Mid-December: Governor releases proposed budget.

January – April: Legislative session.

- Legislature passes final budget.

March: Updated revenue forecast.

May – June: Governor signs bills, including budget.

MANY WSDOT PROGRAMS, BUT PROGRAM V ROCKS

AVIATION—PROGRAM F.
CHARGES FROM OTHER AGENCIES—PROGRAM U.
FACILITIES—PROGRAM D—CAPITAL.
FACILITIES—PROGRAM D—OPERATING.
HIGHWAY MAINTENANCE—PROGRAM M.
IMPROVEMENTS—PROGRAM I.
INFORMATION TECHNOLOGY—PROGRAM C.
LOCAL PROGRAMS—PROGRAM Z—CAPITAL.
LOCAL PROGRAMS—PROGRAM Z—OPERATING.
MARINE—PROGRAM X.
PRESERVATION—PROGRAM P.
PROGRAM DELIVERY MANAGEMENT AND SUPPORT—PROGRAM H.
PUBLIC TRANSPORTATION—PROGRAM V.
PUBLIC-PRIVATE PARTNERSHIPS—PROGRAM K.
RAIL—PROGRAM Y—CAPITAL.
RAIL—PROGRAM Y—OPERATING.
TOLL OPERATIONS AND MAINTENANCE—PROGRAM B.
TRAFFIC OPERATIONS—PROGRAM Q—CAPITAL.
TRAFFIC OPERATIONS—PROGRAM Q—OPERATING.
TRANSPORTATION MANAGEMENT AND SUPPORT—PROGRAM S.
TRANSPORTATION PLANNING, DATA, AND RESEARCH—PROGRAM T.
WASHINGTON STATE FERRIES CONSTRUCTION—PROGRAM W.

MULTIMODAL ACCOUNT IS THE HEART AND SOUL OF PROGRAM V

2021-2023 GOVERNOR'S EXECUTIVE BUDGET

NEW SECTION. **Sec. 221. FOR THE DEPARTMENT OF TRANSPORTATION—**

PUBLIC TRANSPORTATION—PROGRAM V

State Vehicle Parking Account—State Appropriation \$784,000

Regional Mobility Grant Program Account—State

Appropriation \$93,939,000

Rural Mobility Grant Program Account—State

Appropriation \$33,168,000

Multimodal Transportation Account—State

Appropriation \$150,235,000

Multimodal Transportation Account—Federal

Appropriation \$3,574,000

Multimodal Transportation Account—Local

Appropriation \$100,000

TOTAL APPROPRIATION. \$281,800,000

MULTIMODAL ACCOUNT FUNDS TDM

Programs

- Transportation Demand Management
- Commute Trip Reduction
- Vanpool
- Special Needs Transportation
- Dash (Intercity Transit)
- King County Summer Youth Orca

Grants

- Regional Mobility
- Rural Mobility
- Active transportation
- Green Transportation Capital

TDM pilot programs

- First Mile Last Mile
- Commute Trip Innovation Grant
- Small Business Orca
- Telework Statewide Assistance

MULTIMODAL PROGRAMS SUPPORT LEGISLATIVE TRANSPORTATION GOALS

[RCW 47.04.280](#)

Economic vitality: promote the movement of people and goods for economic prosperity.

Preservation: maintain prior investments in transportation systems and services.

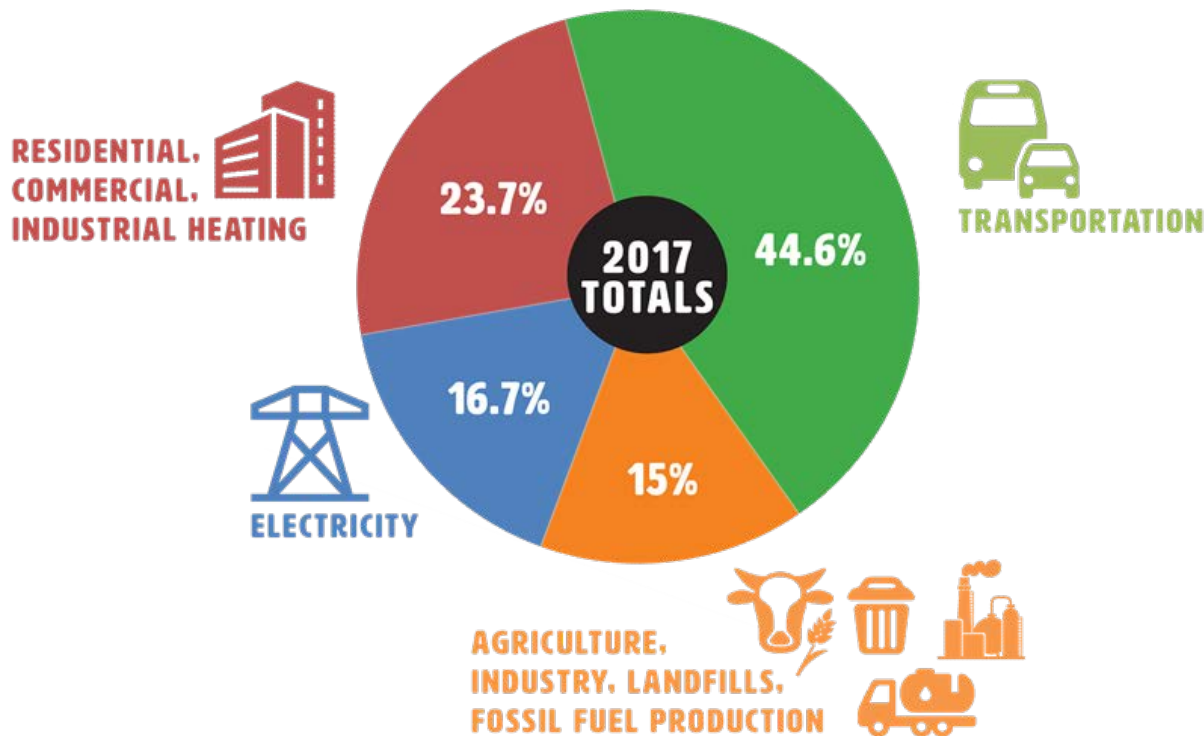
Safety: provide for the safety of transportation customers and the transportation system.

Mobility: improve the predictable movement of goods and people, including congestion relief and freight mobility.

Environment: promote energy conservation, healthy communities, and environmental protection.

Stewardship: improve the quality, effectiveness, and efficiency of the transportation system.

MULTIMODAL PROGRAMS SUPPORT CLIMATE PROTECTION GOALS



The Legislature set a target to reduce emissions at least **25 percent below 1990 levels by 2035.**

The Department of Ecology recommended a more ambitious target of **40 percent below 1990 levels by 2035.**

MULTIMODAL PROGRAMS BOOST ROAD CAPACITY AT LOWER COST

Additional interstate miles needed to drive posted speed limit at all times in Washington:

- **451 lane miles at an estimated cost of \$115 billion.**
- **Would require a gas tax increase from \$2.20 to \$2.50 per gallon.**



Note: Assuming no one else moves to Washington and there is no increase in demand.

MULTIMODAL PROGRAMS SUPPORT EQUITY

- Lower-income families spend more on transportation by percentage of income*.
 - Upper third: 8.2 percent; lower third 15.7 percent**.
- One in five Washingtonians doesn't hold a driver's license.
- Active transportation (biking, walking, skateboarding, etc.) provides low-cost transportation for people who cannot or chose not to drive a car.
- Transit investments provide access to opportunity.
- Most people who use transit also walk or ride a bike at the beginning or end of their trip.



*Source: Pew Charitable Trusts, [Household Expenditures and Income](#) | March 30, 2016

** Data does not include use of public transportation or tolls.

MULTIMODAL ACCOUNT IS FLEXIBLE

Many revenue sources, including:

- Taxes: motor vehicle excise, retail sales
- Motor vehicle license fees
- Federal grants
- Mass transit distributions

Tremendous flexibility

- All “transportation purposes” are eligible to receive multimodal account investments (RCW [47.66.070](#))

Funds diverse programs and projects, including but not limited to:

- All Public Transportation Division grants and programs
- Active transportation
- Ferries
- State highway patrol
- Highway expansion projects

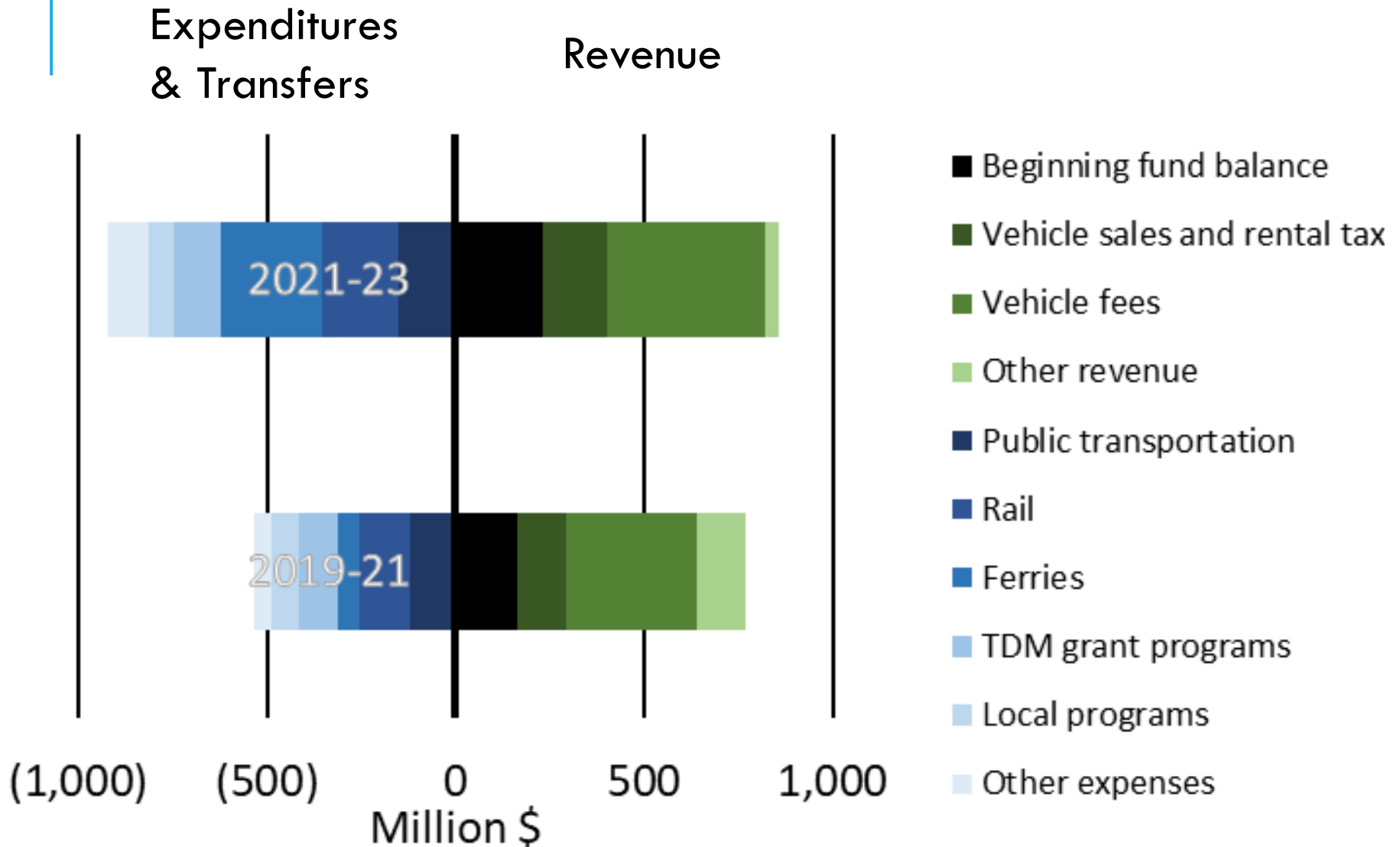
GAS TAX EXPENDITURES ARE RESTRICTED TO HIGHWAY PURPOSES

18th Amendment dedicates fuel tax & motor vehicle license fees “exclusively for highway purposes.”

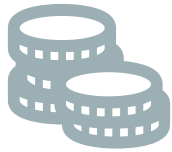
Highway purposes include highway construction, operations & maintenance, policing the highways, and auto ferries – but generally not public transportation.

Tolls have not been declared by the courts as an “18th Amendment protected” revenue source.

MULTIMODAL ACCOUNT BUDGET



NEXT TRANSPORTATION PACKAGE CAN INCREASE MULTIMODAL FUNDING



2003 Nickel Package

\$4.2B over 10 years

5 cent gas tax and fees (gas tax will be repealed when bonds paid off)

Included a 15% increase in vehicle weight fees and a 0.3% sales tax on motor vehicles.
\$134M for highway preservation, operations and maintenance (3%)

\$600K in multimodal investments (14%)

Accountability and efficiency reforms bills.



2005 Transportation Partnership Act

\$8.5B over 16 years

9.5 cent gas tax and fees.

Included vehicle weight fee increases with most passenger vehicles paying an additional \$10 per year and light trucks paying an additional \$20 per year.

\$509M for highway preservation, operations and maintenance (6%)

\$814K in multimodal investments (10%)

I-912 proposed repealing 2005 gas tax (failed)

Governance (WSDOT becomes cabinet agency) and performance bills.



Connecting Washington

\$16B over 16 years

11.9 cent gas tax and fees.

Included vehicle weight fee increases, a new heavy truck freight project fee, and electric vehicles fee increases.

\$1.4B for highway preservation, operations and maintenance (9%)

Almost \$1B in multimodal investments (6%)

I-960 required non-binding advisory vote on repealing gas tax (supported repeal at 64%)

Authorized a variety of local revenue options, including for Sound Transit and transportation benefit districts.

Suite of reform bills (apprenticeship, permitting, competitive bidding etc.)

MULTIMODAL ACCOUNT DEFENDERS



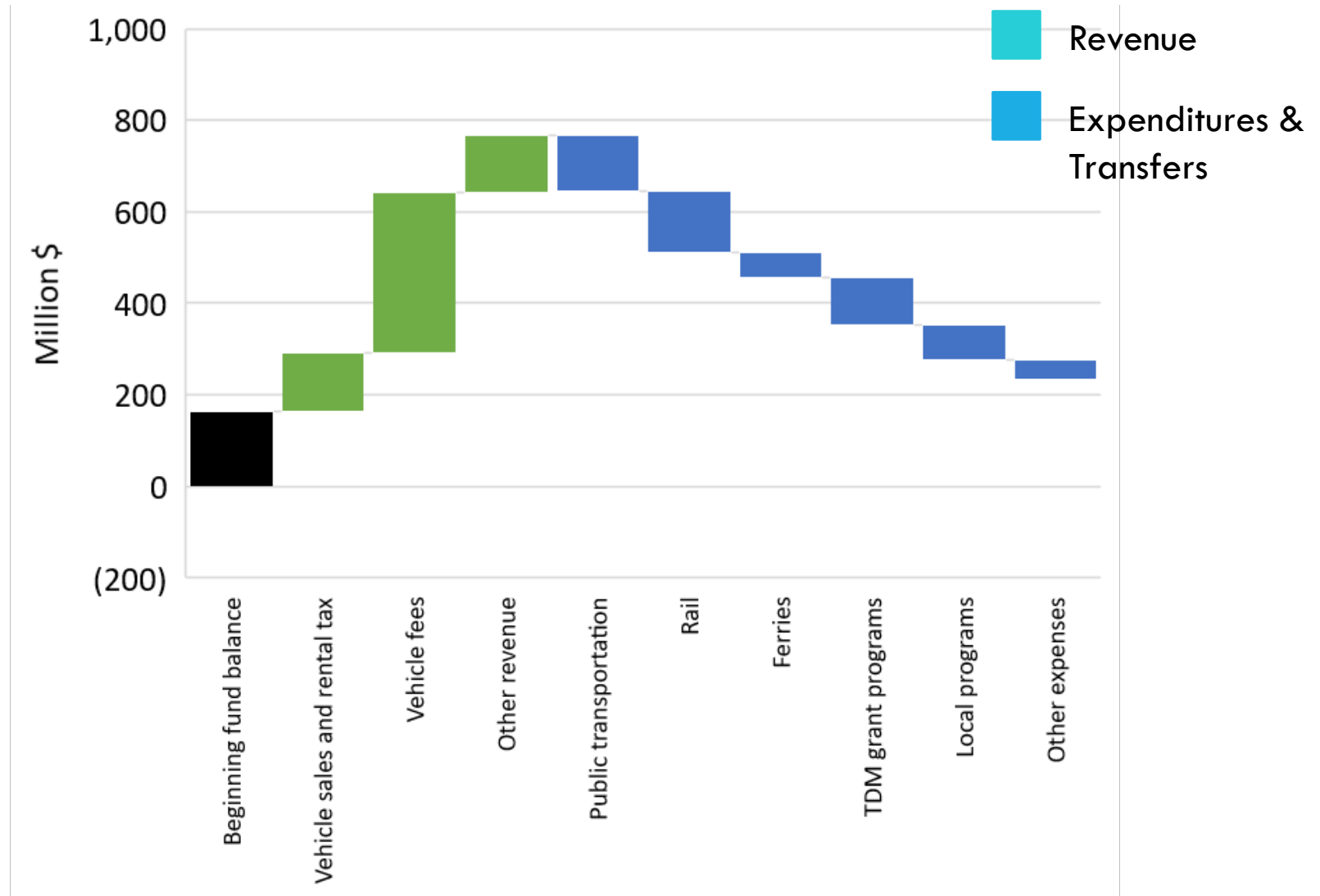


QUESTIONS & ANSWERS

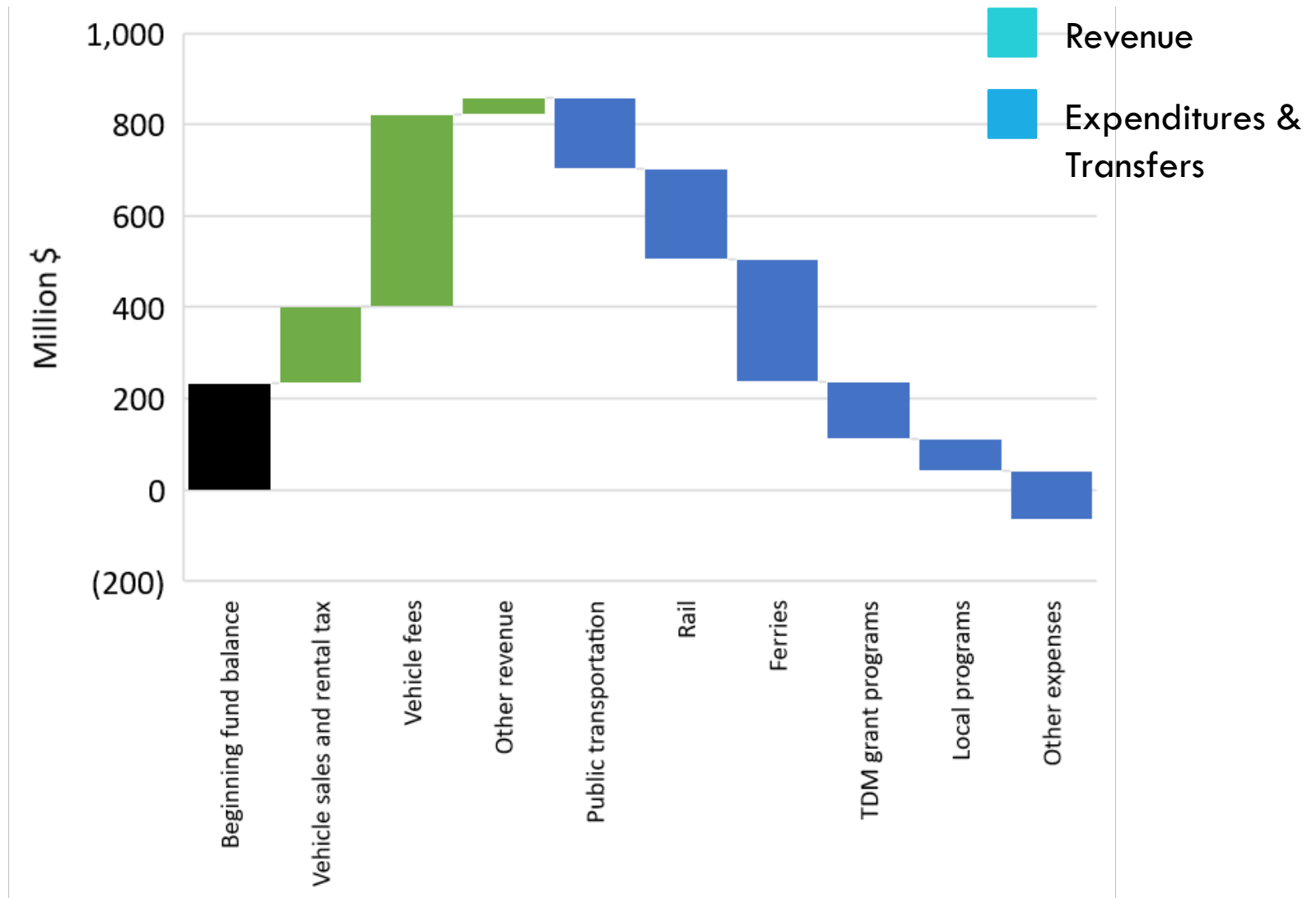


APPENDIX

MULTIMODAL ACCOUNT BUDGET: 2019–2021

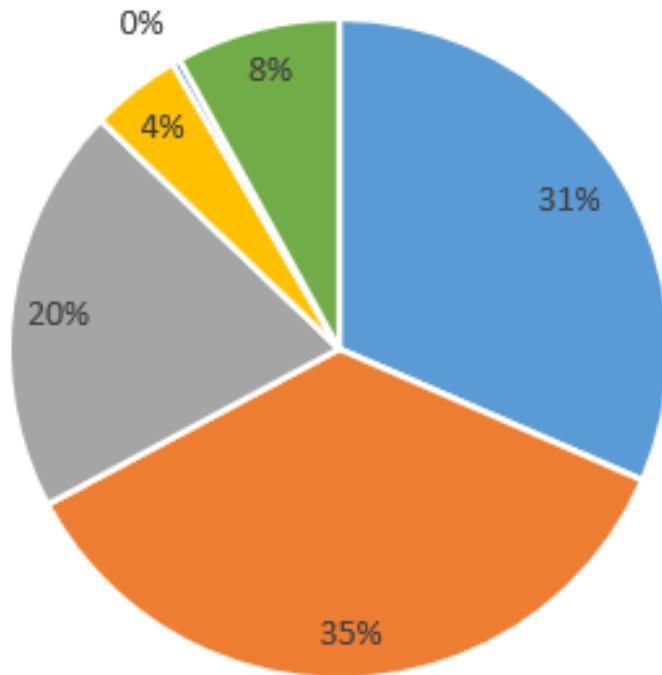


MULTIMODAL ACCOUNT BUDGET: 2021–2023



MULTIMODAL ACCOUNT EXPENDITURES

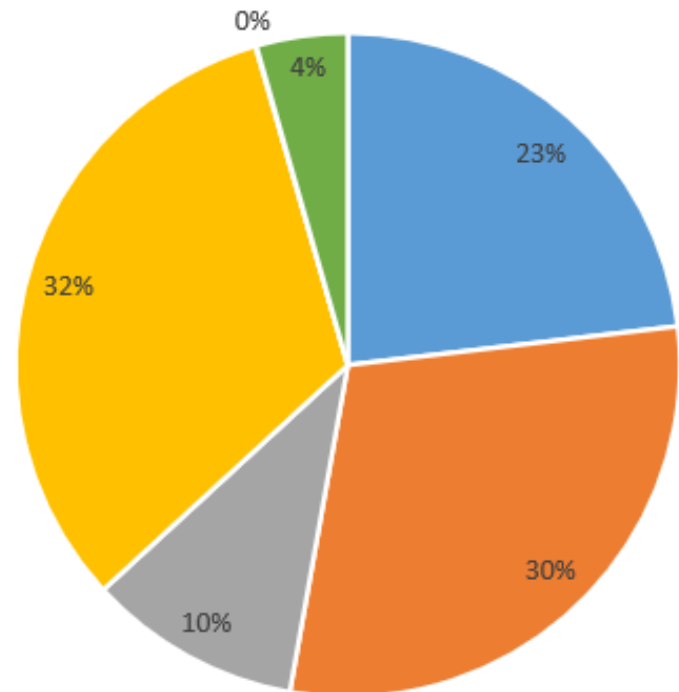
2019–2021



■ Public Transportation
■ Local Programs
■ Other State Agencies

■ Rail
■ Other DOT Programs
■ Debt Service

2021–2023

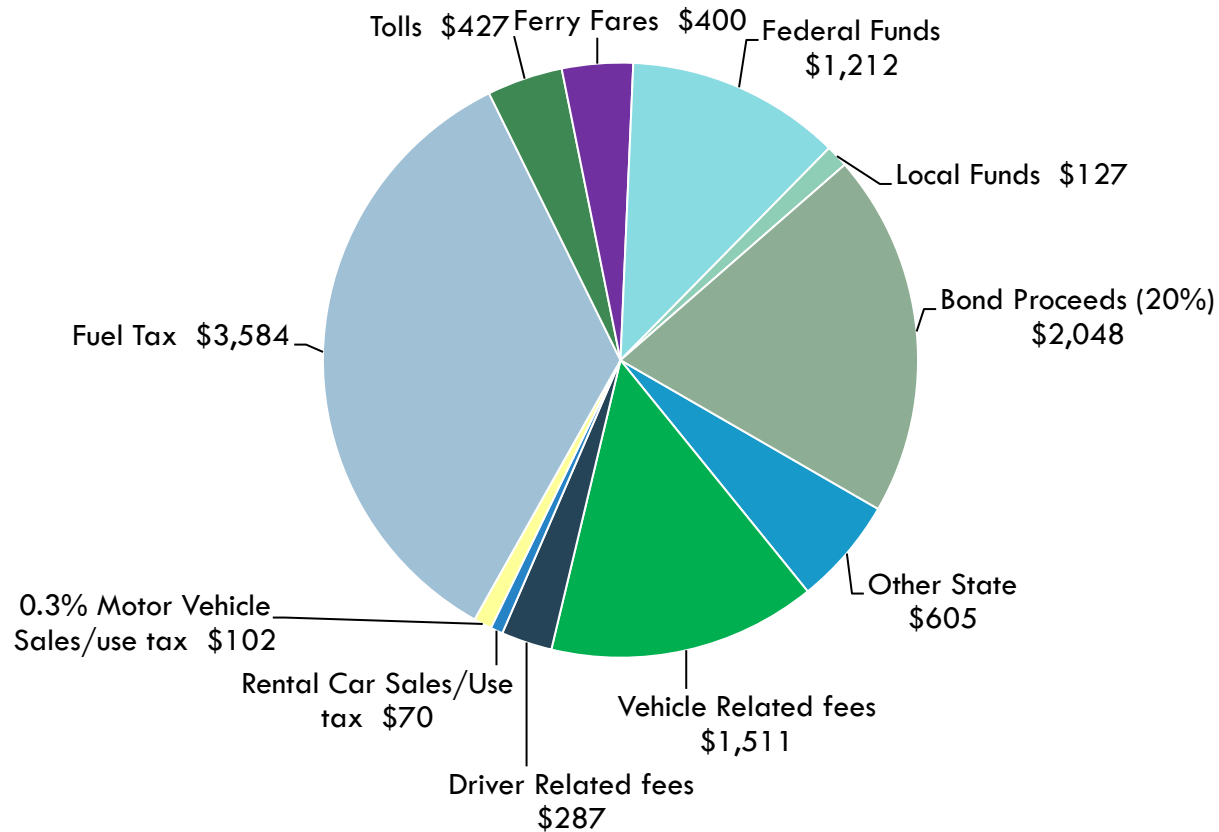


■ Public Transportation
■ Local Programs
■ Other State Agencies

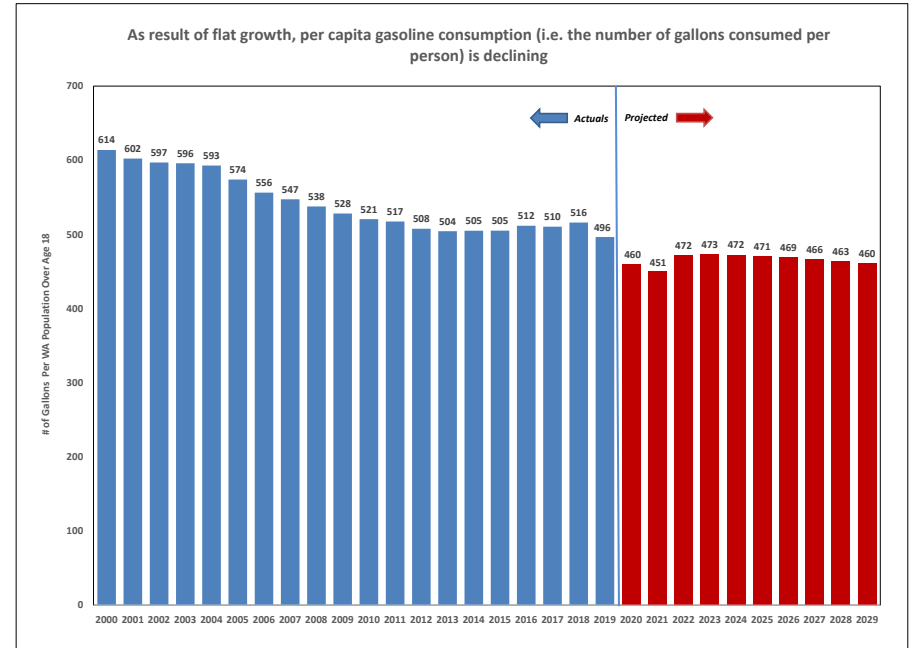
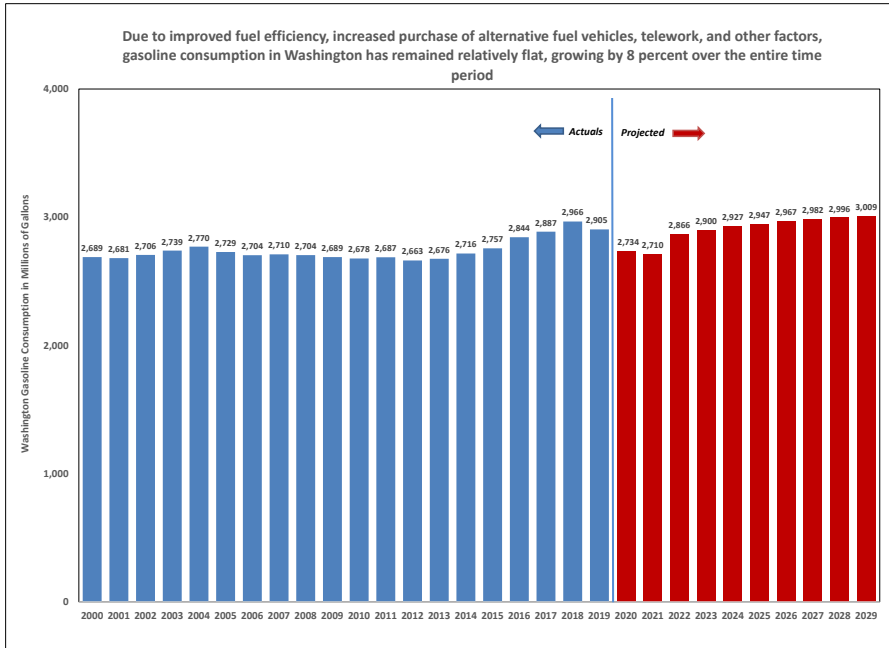
■ Rail
■ Other DOT Programs
■ Debt Service

Revenues = \$10.4B

2019-21 Supplemental Budget (\$ millions)

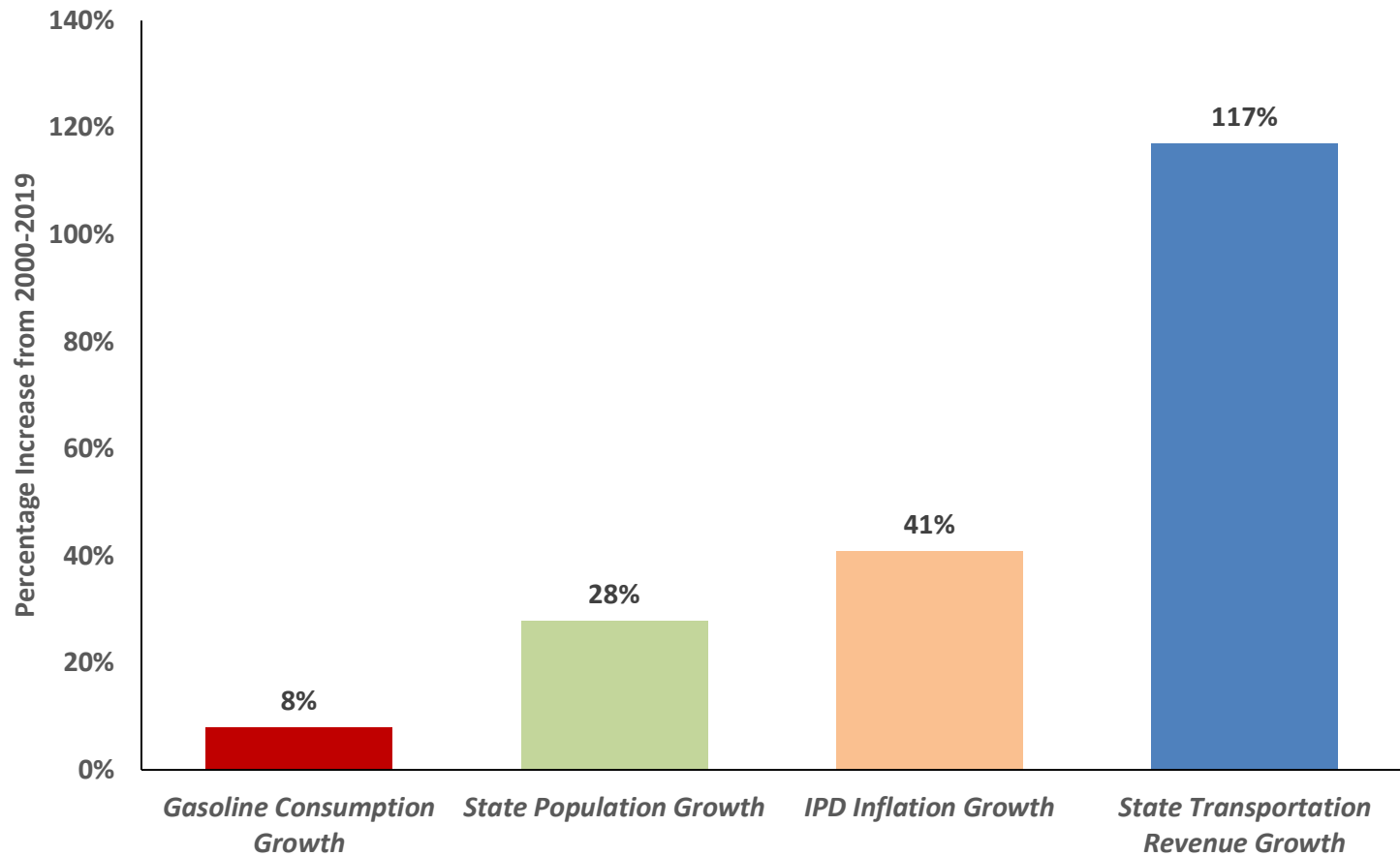


Source: February 2020 Revenue Forecast & Enacted 2020 Budget

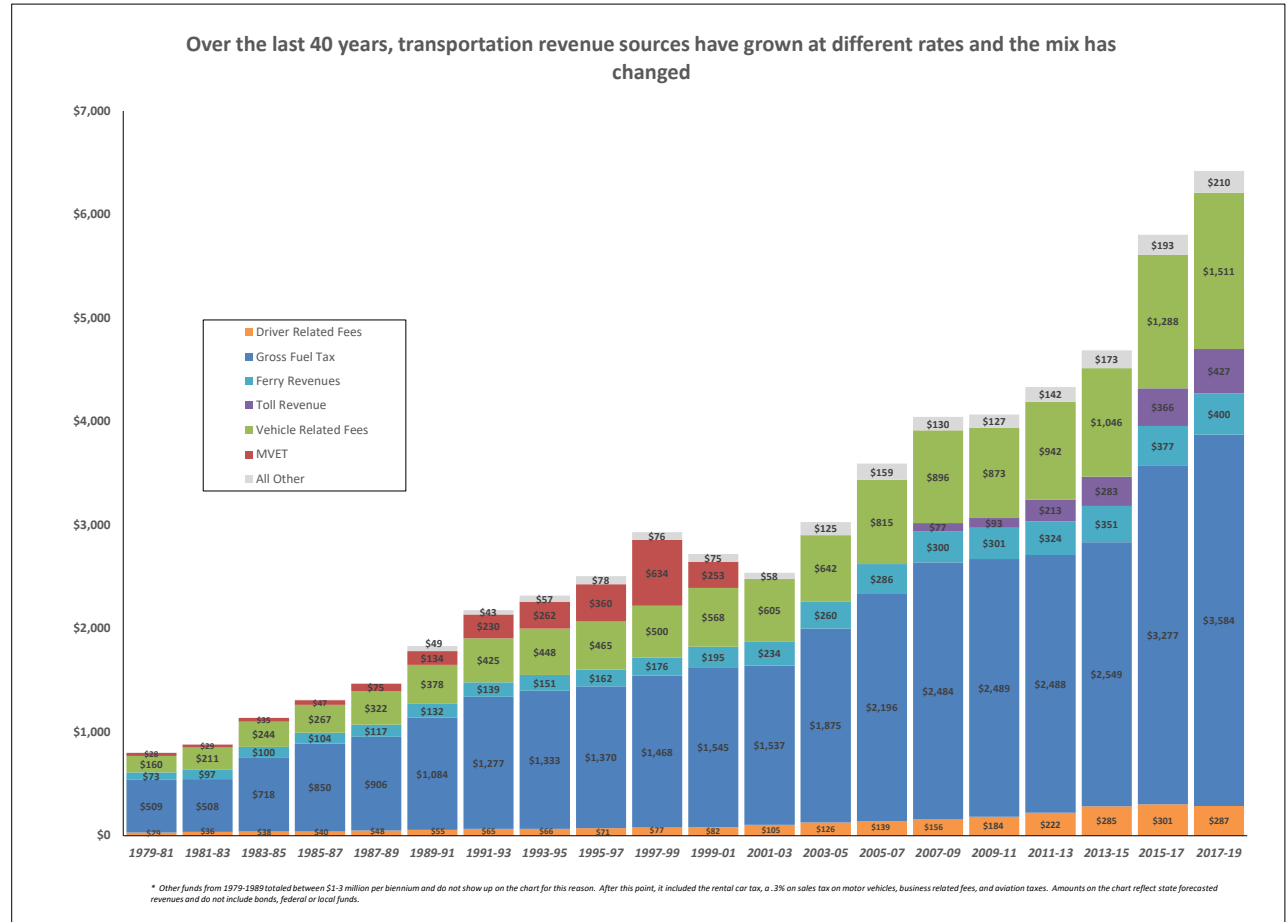


CHANGE IN FUEL CONSUMPTION

Over the last twenty years, gasoline consumption growth has been much slower than the growth in state population, inflation, or state transportation revenues



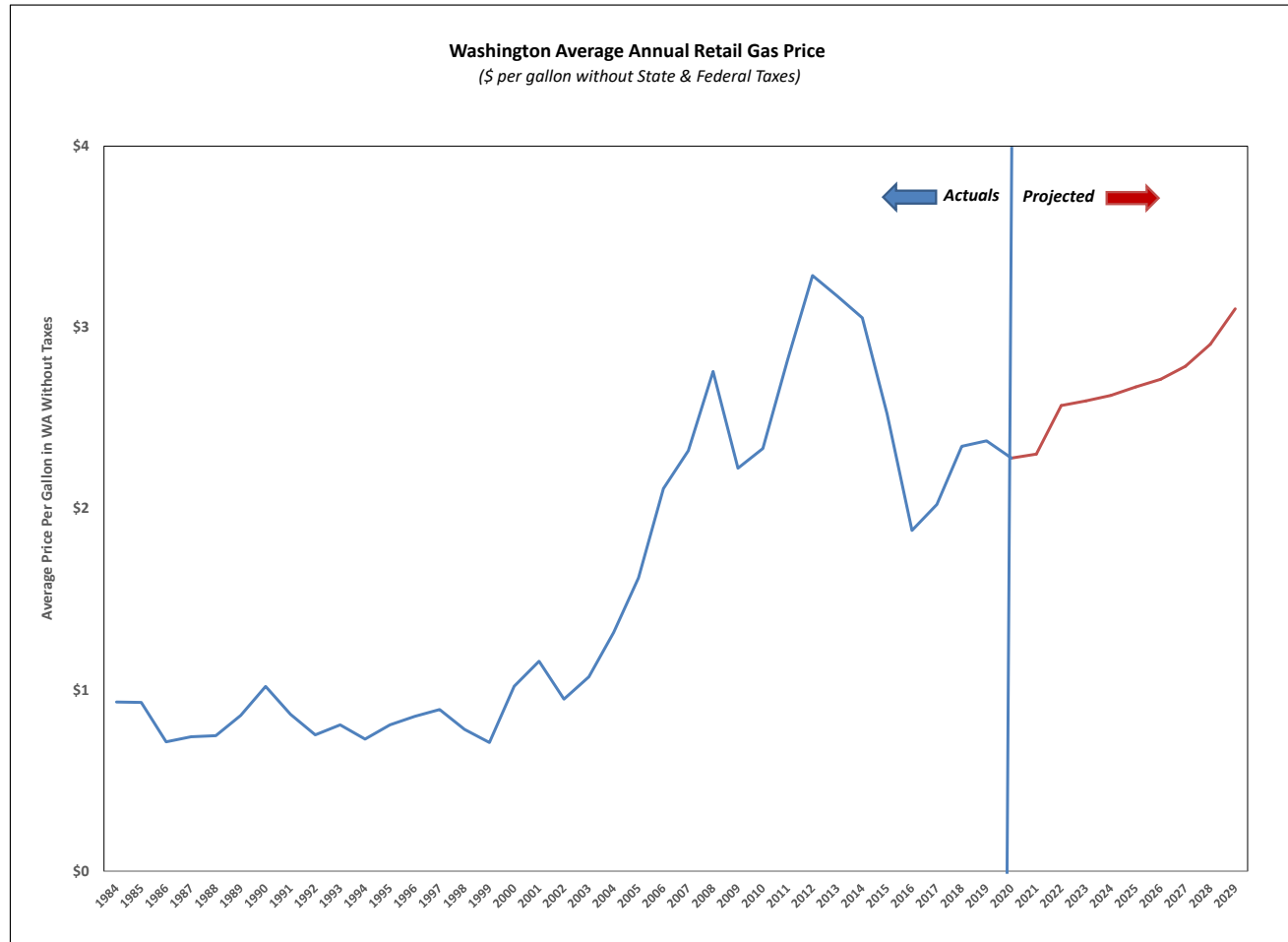
CHANGE IN THE MIX OF TRANSPORTATION REVENUES



WA STATE FUEL TAX HISTORY

1921	1 cent/gallon
1929	2 cents
1931	4 cents
1933	5 cents; off-highway refunds
1935	Fuel oil at 1/4 cent/gallon
1941	5 cents on use fuel (diesel)
1944	18th Amendment to State Constitution
1949	6.5 cents/repeal fuel oil tax of 1935
1961	7.5 cents
1967	9 cents
1977	11 cents
1979	12 cents
1981	13.5 cents
1982	12 cents (variable rate study decrease)
1983	16 cents
1984	18 cents
1990	22 cents (effective April 1, 1990)
1991	23 cents (effective April 1, 1991)
1999	Raised the imposition of the motor fuel tax from the distributor/dealer to the supplier (terminal-rack)
2003	28 cents (effective July 1, 2003)
2005	31 cents (effective July 1, 2005)
2006	34 cents (effective July 1, 2006)
2007	36 cents (effective July 1, 2007)
2008	37.5 cents (effective July 1, 2008)
2015	44.5 cents (effective August t1, 2015)
2016	49.4 cents (effective July 1, 2016)

CHANGE IN GAS PRICES



CHANGE IN AVERAGE MPG

