



ISSUE BRIEF

Governor's 2021-23 Transportation Budget

Key facts

- The governor's transportation budget proposal is estimated by OFM to be **\$10.8 billion**, which is roughly \$400 million more than the 2019-21 transportation budget as passed in March 2020.
- The November forecast projects \$6.8 billion in transportation revenues for 2021-23. The federal allocation could be about \$770 million per federal fiscal year based on pre-COVID estimates.

The debate

The transportation revenue forecast for November projects \$6.8 billion in state revenues for the 2021-23 biennium, and potentially \$1.4 billion federal revenues. Last biennium's budget was \$10.4 billion. There is an unfunded need of \$726 million in 2021-23 for preservation and maintenance and \$3 billion in the next nine years to address fish passage barriers. Many Connecting Washington projects have been delayed due to funding reductions that were assumed based on I-976 (\$30 car tabs) and WSDOT operational issues. COVID has increased the cost of doing business and project timelines, so the question moving forward will be what gets funded and what does not, and whether there will be new revenue for the transportation system in 2021.

Overview of the Governor's Budget:

The governor has proposed a \$10.8 billion budget for the 2021-23 biennium. It proposes new spending for his favored policies - fish barrier removals, electrification of ferries and busses, ultra-high-speed rail, and public transit - by asking WSDOT to delay more than \$1 billion in legislatively directed projects. This is a tried and true technique that lets the governor say he is funding all these great new programs without raising revenues. This budget does not assume any revenues connected to his "[Climate Commitment Act](#)" or efforts to decarbonize Washington. The legislature is going to have to make the hard choices on what projects will be delayed and whether any of the proposed items get funding.

Here is a list of proposed changes:

- An additional \$400 million for an estimated \$1.2 billion for preservation and maintenance projects.
- \$726.4 million to comply with the federal lawsuit requiring fish passage barriers be removed from state lands, an estimated \$3 billion expense for WSDOT through 2030. They provide full payment in the out years.
- \$3.25 million to create a governance structure for [an ultra-high speed rail system](#) from Portland, Oregon to Vancouver, British Columbia.
- \$385 million for ferry conversion to electrification, including converting a second existing ferry to hybrid electric and to buy a new hybrid electric ferry and charging stations.
- An additional \$15 million to further electrify transit.
- Increased funding for [safe routes to schools](#) and [bike and pedestrian safety grants](#).
- Adds \$1 million and makes it on-going funding for the Pre-Apprenticeship Supportive Services Program ([PASS program](#)) that provides supportive services and pre-apprenticeship training for females, minorities, and socially and economically disadvantaged individuals.

- The budget assumes savings by furloughing employees 1 day a month for 24 months. If a position would have to be backfilled so there would be no savings for the furlough, that employee will not be subject to the furloughs. The example given is ferry captains.
- No pay increases or changes to health care provisions for employees were assumed in the budget.
- It pays for expenses on the SR 99 tunnel and SR 520 bridge that are not adequately covered due to lack of toll revenues to meet legal obligations.

What to expect in the 2021 session

From the governor and other Democrats, expect to see a budget that will include funding for some of the governor's proposals, but not all of them. Electrification of ferries has been supported in the past. Increased funding for preservation and maintenance will provide benefits statewide. The PASS program is part of their equity agenda so is likely to be increased. Some of the other increases that will further delay existing projects may have a much more difficult time of getting adopted.

From Republicans, expect to see attention to honoring choices made when Connecting Washington was passed and apply fiscal responsibility to choices made in the budget.

Additional information

- Link to the governor's proposals on OFM's website: <https://www.ofm.wa.gov/budget/state-budgets/gov-inslees-proposed-2021-23-budgets/2021-23-transportation-plan>
- OFM Transportation Revenue Forecast: <https://www.ofm.wa.gov/budget/budget-instructions/transportation-revenue-information>
- DOL data (# of vehicle registrations, # of driver's licenses, etc.): <https://www.dol.wa.gov/about/data.html>