

June 11, 2021

The Honorable Steve Hobbs,
Chair, Senate Transportation Committee
PO Box 40444
Olympia, WA 98504-0444

The Honorable Jake Fey,
Chair, House Transportation Committee
PO Box 40600
Olympia, WA 98504-0600

David Schumacher
Director, Office of Financial Management
PO Box 43113
Olympia, WA 98504-3113

RE: Request to transfer appropriation between programs

SSB 5165 Sections 1004(3) and 1005(3) authorizes the department to make transfers of Motor Vehicle Account State and Federal appropriations between the I and P programs. As required by these provisions, the department is requesting the transfer of \$10 million of Motor Vehicle Account Federal appropriation from the P program to the I program. These funds are not otherwise restricted, and this transfer will have no impact on the department's delivery of the P program. This transfer is necessary to ensure that there is sufficient federal appropriation available in the I program to close out the 2019-21 biennium.

In the 2019 session, the legislature removed the I program's federal placeholder which provided additional appropriation to account for cash flow changes and potential unanticipated receipts. This placeholder allowed the agency to manage and maximize the use of federal funds across the highway construction program. During the 2019-21 biennium, the fish passage removal program is anticipated to have higher than anticipated federal expenditures and lower Connecting Washington state expenditures. This transfer does not represent an overall increase of funding in the fish passage program in 2019-21 (\$275M), but rather an advancement of federal funds cash flow from 2021-23 and a deferral of state funds from 2019-21. This transfer will be reflected in the agency 2022 Supplemental Budget project list.

The following table details the proposed transfer:

| <u>Pgm</u> | <u>Account</u> | <u>Source</u> | <u>EA Code</u> | <u>Current Approp.</u> | <u>Revised Approp.</u> | <u>Transfer Amount</u> |
|-------------------|-----------------------|----------------------|-----------------------|-------------------------------|-------------------------------|-------------------------------|
| P | Motor Vehicle | Federal | N10 | \$476,968,000 | \$466,968,000 | (\$10,000,000) |
| I | Motor Vehicle | Federal | N30 | \$104,592,000 | \$114,592,000 | \$10,000,000 |

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If no concerns are raised within 10 days of receipt of this request, the department will initiate this transfer utilizing the authority provided in SSB 5165 Sections 1004(3) and 1005(3), see attachment.

Please contact me at (360) 705-7121 or alexanja@wsdot.wa.gov if you have questions or need additional information. Thank you for your consideration.

Sincerely,

[Signature on File]

Jay Alexander, Director
Capital Program Development and Management Office

JA:mde

cc: Erik Hansen, OFM
Ruth Roberson, OFM
Erica Bramlet, STC
Megan McPhaden, HTC

SSB 5165 Sections 1004(3) and 1005(3)

(3) Within the motor vehicle account—state appropriation and motor vehicle account—federal appropriation, the department may transfer funds between programs I and P, except for funds that are otherwise restricted in this act. Ten days prior to any transfer, the department must submit its request to the office of financial management and the transportation committees of the legislature and consider any concerns raised. The department shall submit a report on fiscal year funds transferred in the prior fiscal year using this subsection as part of the department's annual budget submittal.