Washington State Department of Transportation

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July 31, 2026

The Honorable Marko Liias, 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

K.D. Chapman-See, Director
Office of Financial Management
PO Box 43113
Olympia, WA 98504-3113

RE: Section 601 – Fund Transfers (2026 c 257 s 601)

Section 601 (1) of Chapter 257, Laws of 2026 (ESSB 6005) authorizes the Director of the Office of Financial Management to approve appropriation adjustments for highway projects funded with Transportation Partnership Account (TPA), Connecting Washington Account (CWA), and Move Ahead Washington Account (MAW) appropriations that exceeds the authority provided to the department in section 601 (1)(j). See attachment for bill language.

Consistent with the process established by the Office of Financial Management, the department is reporting that there is no fund transfer request per section 601 (l) for the quarter ending June 30, 2026.

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

Sincerely,

[Signature on File]

Troy A. Suing, Director
Capital Program Development and Management Office

TAS:ambn

cc: Erik Hansen, OFM
Maria Thomas, OFM
Mark Matteson, HTC
Kelly Simpson, STC

2026 c 257 s 601 Language

Sec. 601. 2025 c 416 s 601 (uncodified) is amended to read as follows:
MANAGEMENT OF TRANSPORTATION FUNDS WHEN THE LEGISLATURE IS NOT IN SESSION

(1) The 2005 transportation partnership projects or improvements, 2015 connecting Washington projects or improvements, and move ahead WA projects or improvements are listed in the LEAP Transportation Document 2026-1 as developed March 10, 2026, which consists of a list of specific projects by fund source and amount over multiple biennia. Current fiscal biennium funding for each project is a line-item appropriation, while the outer year funding allocations represent a six-year plan. The department of transportation is expected to use the flexibility provided in this section to assist in the delivery and completion of all transportation partnership account, connecting Washington account, and move ahead WA account projects on the LEAP transportation document referenced in this subsection. For the 2023-2025 and 2025-2027 project appropriations, unless otherwise provided in this act, the director of the office of financial management may provide written authorization for a transfer of appropriation authority between projects funded with transportation partnership account appropriations, connecting Washington account appropriations, or move ahead WA account appropriations to manage project spending and efficiently deliver all projects in the respective program under the following conditions and limitations:

(a) Transfers may only be made within each specific fund source referenced on the respective project list;

(b) Transfers from a project may not be made as a result of the reduction of the scope of a project or be made to support increases in the scope of a project;

(c) Transfers from a project may be made if the funds appropriated to the project are in excess of the amount needed in the current fiscal biennium;

(d) Transfers may not occur for projects not identified on the applicable project list;

(e) Transfers to a project may not occur if that project is a programmatic funding item described in broad general terms on the applicable project list without referencing a specific state route number;

(f) Transfers may not be made while the legislature is in session;

(g) Transfers to a project may not be made with funds designated as attributable to practical design savings as described in RCW 47.01.480;

(h) The total amount of transfers under this section may not exceed $100,000,000;

(i) Except as otherwise provided in (k) of this subsection, transfers made to a single project may not cumulatively total more

than $50,000,000 per fiscal biennium, and may not total more than the amount identified for a project within the six-year plan;

(j) Each transfer between projects may only occur if the director of the office of financial management finds that any resulting change will not hinder the completion of the projects as approved by the legislature; and

(k) Transfers between projects may be made by the department of transportation without the formal written approval provided under this subsection (1), provided that the transfer amount to a single project does not exceed $250,000 or 10 percent of the total project per fiscal biennium, whichever is less. These transfers must be reported quarterly to the director of the office of financial management and the chairs of the house of representatives and senate transportation committees.

(2) The department of transportation must submit quarterly all transfers authorized under this section in the transportation executive information system. The office of financial management must maintain a legislative baseline project list identified in the LEAP transportation documents referenced in this act, and update that project list with all authorized transfers under this section, including any effects to the total project budgets and schedules beyond the current fiscal biennium.

(3) At the time the department submits a request to transfer funds under this section, a copy of the request must be submitted to the chairs and ranking members of the transportation committees of the legislature.

(4) Before approval, the office of financial management shall work with legislative staff of the house of representatives and senate transportation committees to review the requested transfers in a timely manner and address any concerns raised by the chairs and ranking members of the transportation committees.

(5) No fewer than 10 days after the receipt of a project transfer request, the director of the office of financial management must provide written notification to the department of any decision regarding project transfers, with copies submitted to the transportation committees of the legislature.

(6) The department must submit annually as part of its budget submittal a report detailing all transfers made pursuant to this section, including any effects to the total project budgets and schedules beyond the current fiscal biennium.