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**PROGRAM RESEARCH**

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# **2025 Session: Budget Challenges Overview**

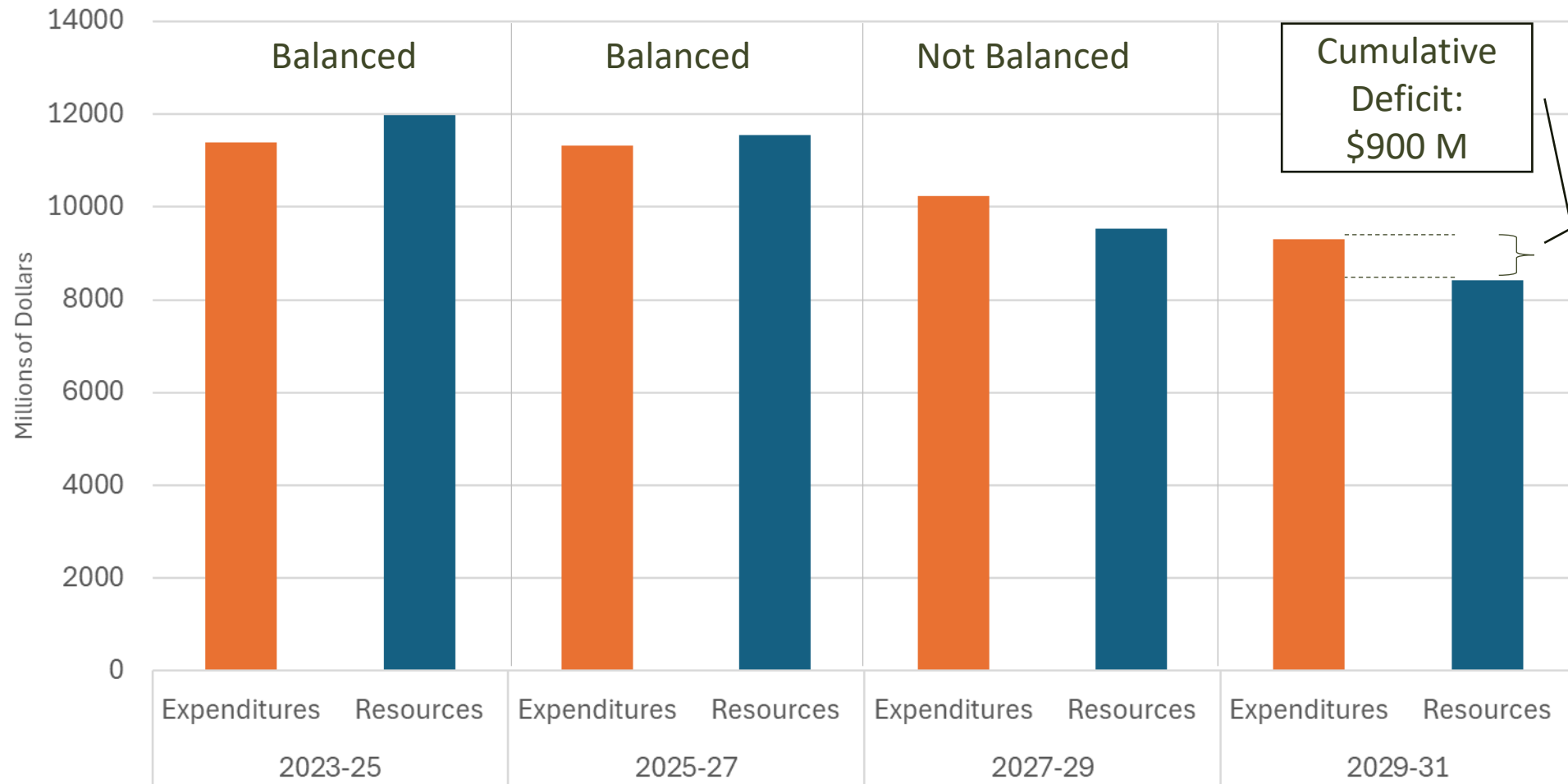
Mark Matteson, Office of Program Research

# Synopsis

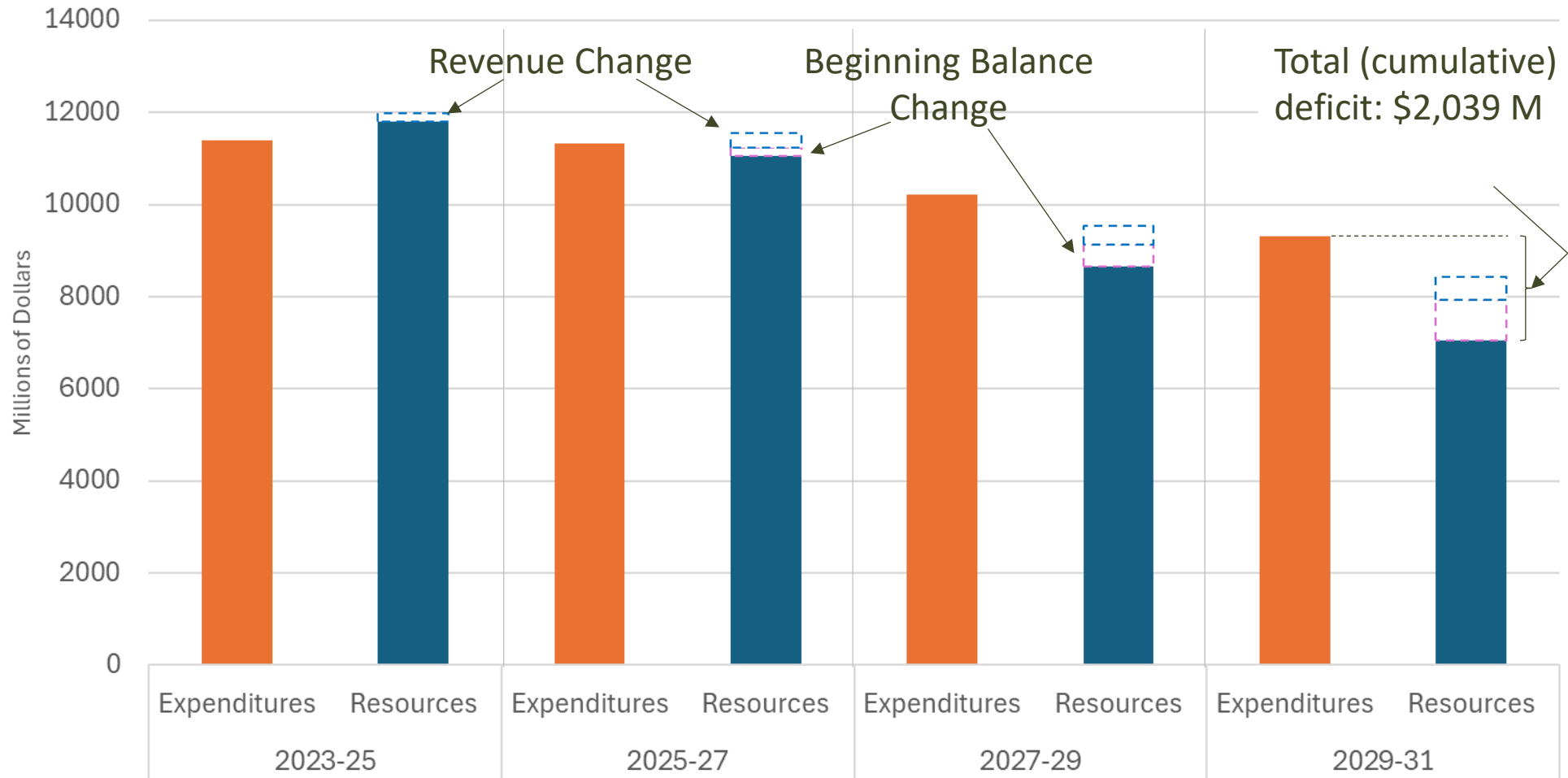
- ▮ The work in the 2024 session produced a balanced 2023-25 transportation budget.
  - ▮ The financial plan included a balanced TR 2025-27 budget; however:
  - ▮ Beyond 2025-27, the financial plan was not constrained (not in balance).
- ▮ Additional challenges have since arisen:
  - ▮ The transportation revenue forecast has dropped, as a result of a continuing shift to electric, hybrid, and more fuel-efficient vehicles.
  - ▮ Capital projects have experienced significant cost escalation, as the demand for contractors on large projects has outstripped supply.
  - ▮ The fish passage barrier (culvert) correction program has become more challenging; the remaining corrections will require significantly more \$.



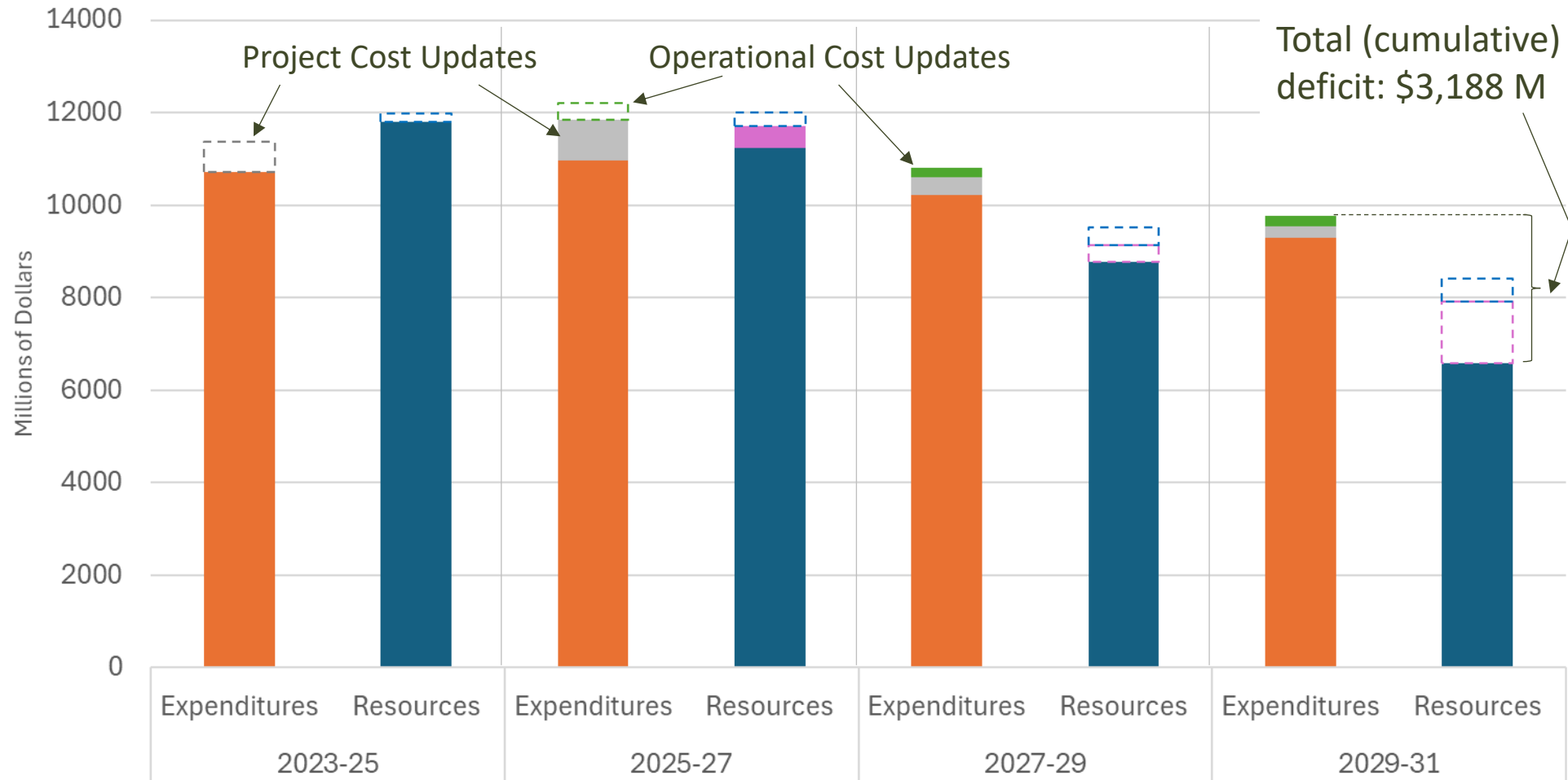
# Background: 2024 Session Transportation Financial Plan Through 2031



# Known Changes: Revenue Forecast



# Known Changes: Maintenance Level Operations and Project Cost Updates



# Possible Cost Increases

- Expected WSDOT capital project cost increases:
  - For projects with scheduled cost estimation updates: \$1.2 billion through FY 2031.
  - For other projects not yet scheduled for cost updates: \$2.5 billion through FY 2031.
- Additional fish passage barrier requirements: \$4 + billion (in total).
- Collective bargaining agreements: \$700 million through FY 2031.

