



August 25, 2022

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

RE: Section 601(1) - Fund Transfers (2022 c 186 s 601) Letter

Section 601 (1) of Chapter 186, Laws of 2022 (ESSB 5689) authorizes the Director of the Office of Financial Management to approve appropriation adjustments for highway projects funded with Transportation Partnership Account (TPA) and Connecting Washington Account (CWA) appropriations that exceeds the authority provided to the department in section 601 (1)(k). See attachment for bill language.

Consistent with the process established by the Office of Financial Management, the department is reporting that there is one fund transfer request per section 601 (1)(k) for the quarter ending June 30, 2022.

Project(s) requiring additional cash flow funding (\$ Thousands)	CWA	TPA	Total	Description
I-82/South Union Gap Interchange - Construct Ramps (L2000123)	500	0	500	The I-82 South Union Gap interchange is currently a partial interchange with only a westbound off-ramp and an eastbound on-ramp. This project will complete the interchange by constructing a westbound on-ramp and eastbound off-ramp to provide full access to South Union Gap.
Total	500	0	500	

Included in this request is a “Donor” project that provides the offset to the increase.

Project(s) providing additional cash flow (\$ Thousands)	CWA	TPA	Total	Description
US 395/Ridgeline Intersection (L2000127)	(500)	0	(500)	Constructs a new intersection in Kennewick.
Total	(500)	0	(500)	

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

Sincerely,

[Signature on File]

Jay Alexander, Director
Capital Program Development and Management
Washington State Department of Transportation

JA:mde

Enclosure: 2022 c 186 s 601

cc: Erik Hansen, OFM

Ch. 186
WASHINGTON LAWS, 2022
IMPLEMENTING PROVISIONS

Sec. 601. 2021 c 333 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 and 2015 connecting Washington projects or improvements are listed in the LEAP Transportation Document ((2021-1)) 2022-1 as developed ((April 23, 2021)) March 9, 2022, which consists of a list of specific projects by fund source and amount over a sixteen-year period. Current fiscal biennium funding for each project is a line-item appropriation, while the outer year funding allocations represent a sixteen-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 and connecting Washington account projects on the LEAP transportation document referenced in this subsection. For the 2021-2023 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 or connecting Washington 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) Except for transfers made under (l) of this subsection, transfers may only be made in fiscal year 2023;
 - (i) The total amount of transfers under this section may not exceed \$50,000,000;
 - (j) Except as otherwise provided in (l) of this subsection, transfers made to a single project may not cumulatively total more than \$20,000,000 per biennium;
 - (k) 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
 - (l) 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 two hundred fifty thousand dollars or ten percent of the total project per 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 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 ten 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 biennium.
- (7)(a) If the department of transportation receives federal funding not appropriated in this act, the department shall apply such funds to any of the following activities in lieu of state funds, if compliant with federal funding restrictions, and in the order that most reduces administrative burden and minimizes the use of bond proceeds:
 - (i) Projects on LEAP Transportation Document ((2021-2)) 2022-2 ALL PROJECTS as developed ((April 23, 2021)) March 9, 2022; or
 - (ii) Other department of transportation operating or capital expenditures funded by appropriations from state accounts in this act.
- (b) However, if the funds received may not be used for any of the purposes enumerated in this section and must be obligated before the next regular legislative session, then the department may program the funds for other transportation-related activities, provided that these actions do not initiate any new programs, policies, or expenditure levels requiring additional one-time or ongoing state funds that have not been expressly authorized by the legislature. The department shall follow the existing unanticipated receipt process to notify the legislative standing committees on transportation and the office of financial management of the amount of federal funds received in addition to those appropriated in this act and the projects or activities receiving funding through this process.

