



November 23, 2020

SENT VIA EMAIL

Director David Schumacher
Office of Financial Management

Senator Steve Hobbs, Chair Senate
Transportation Committee

Representative Jake Fey, Chair
House Transportation Committee

Dear Director Schumacher, Senator Hobbs, and Representative Fey:

The Washington State Legislature provided authority in Chapter 219, Laws of 2020 (Engrossed Substitute House Bill No. 2322), for the Department of Transportation to request, through an allotment modification, the ability to reduce "...the appropriated amounts that are provided solely for a particular purpose..." under certain conditions and limitations. One condition is that any such allotment modification must be reported to the Transportation Committees of the Legislature by December 1, 2020.

The allotment modification authority language referenced above appears in five sections;

- 220(17) Program V-Public Transportation,
- 305(36) Program I-Improvements,
- 308(12) Program W-Washington State Ferries Construction,
- 309(18) Program Y-Rail Capital, and
- 310(27) Program Z-Local Programs.

The Department of Transportation did not request allotment modifications under Section 305(36), Section 308(12), Section 309(18), and Section 310(27). However, the department did request allotment modifications under section 220(17).

Since the total appropriation for the Public Transportation budget program was less than the total amount identified in the LEAP Transportation Document 2020-2 project list, amounts that had been provided solely for particular purposes were reduced through the allotment process, pursuant to section 220(17) of chapter 219, Laws of 2020. The reductions to the program, identified as "Project Capital Spending Underruns", in the Enterprise Reports using Winsum budget detail reports, totaled \$26.816 million. The following allotment adjustments were approved by OFM to meet the Legislature's reduction target:

- Appropriations were reduced for the Vanpool program, Green Transportation program, and transit (Tier) projects by a total of \$10.793 million. This reduction to the Multimodal Account-State account is a result from a combination of project delays into the 2021-23 biennium and project savings.

- Regional Mobility Grant allotments were reduced by \$16.023 million. This reduction occurred in the Regional Mobility Grant Program-State account. Nearly all the adjustment (99%, OR \$16.261 million) is a result of project delays into the ensuing biennium. The COVID-19 pandemic affected bus manufacturers' ability to produce and deliver vehicles as originally planned for this biennium. Similarly, activities on construction projects were slowed down or completely stopped while re-starting plans were developed. Alignment between spending and delivery plans resulted in carrying the work and/or delivery of vehicles into next biennium.

If you have questions, please contact me at (360) 705-7401 or VaughnD@wsdot.wa.gov.

Sincerely,

[Signature on File]

Doug Vaughn, Chief Financial Officer
Financial Administration
Washington State Department of Transportation