



August 31, 2021

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

RE: Section 601(1) - Fund Transfers (2020 c 219 s 601) Letter

Section 601 (1) of Chapter 219, Laws of 2020 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)(g). See attachment for bill language.

Consistent with the process established by the Office of Financial Management, the department is reporting that there are five fund transfer requests per section 601 (1) for the quarter ending June 30, 2021. There are also administrative transfers of under \$250,000 or less than 10 percent per section 601 (1)(h) during the final quarter of the biennium which will be communicated in a separate letter.

Project(s) requiring additional cash flow funding (\$ Thousands)	CWA	TPA	Total	Description
SR 9/South Lake Stevens Road Roundabout (L1000240)	0	400	400	The addition of a fish barrier retrofit to the project scope increased preliminary engineering expenditures in the 2019-21 biennium.
US-12/Walla Walla Corridor Improvements (T20900R)	1,711	0	1,711	Higher than anticipated payment vouchers submitted during the final close-out of the biennium.
SR 167/SR 509 Puget Sound Gateway (M00600R)	1,600	0	1,600	Higher than anticipated payment vouchers submitted during the final close-out of the biennium.
I-5/Marvin Road/SR 510 Interchange (L1100110)	376	0	376	Higher than anticipated payment vouchers submitted during the final close-out of the biennium.
I-90/Barker to Harvard - Improve Interchanges & Local Roads (L2000122)	300	0	300	Higher than anticipated payment vouchers submitted during the final close-out of the biennium.
<b>Total</b>	<b>3,987</b>	<b>400</b>	<b>4,387</b>	

Director Schumacher, Senator Hobbs, Representative Fey  
Section 601 – Fund Transfers (Engrossed Substitute House Bill 2322)  
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Included in this request are “Donor” projects that provides the offset to the increase.

Project(s) providing additional cash flow (\$ Thousands)	CWA	TPA	Total	Description
SR 9/176th Street SE to SR 96 - Widening (109004B)	0	(400)	(400)	In response to the COVID-19 pandemic, the Governor issued directive 20-05 to freeze hiring, personal service contracts, and equipment purchases. This delayed completion of the preliminary engineering.
SR 520/148th Ave NE Overlake Access Ramp (L1100101)	(3,987)	0	(3,987)	The contractor converted this project to a two season construction schedule from a single season resulting in lower than anticipated expenditures in 19-21.
<b>Total</b>	<b>(3,987)</b>	<b>(400)</b>	<b>(4,387)</b>	

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: 2020 c 219 s 601

cc: Erik Hansen, OFM  
Ruth Roberson, OFM

**IMPLEMENTING PROVISIONS**

**Sec. 601.** 2019 c 416 s 601 (uncodified) is amended to read as follows:

**FUND TRANSFERS**

- (1) The 2005 transportation partnership projects or improvements and 2015 connecting Washington projects or improvements are listed in the LEAP Transportation Document (~~(2019-1)~~ 2020-1 as developed (~~(April 27, 2019)~~ March 11, 2020), 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 2019-2021 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 may not be made while the legislature is in session;
  - (f) Transfers to a project may not be made with funds designated as attributable to practical design savings as described in RCW 47.01.480;
  - (g) 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. Until the legislature reconvenes to consider the 2020 supplemental omnibus transportation appropriations act, any unexpended 2017-2019 appropriation balance as approved by the office of financial management, in consultation with the chairs and ranking members of the house of representatives and senate transportation committees, may be considered when transferring funds between projects; and
  - (h) 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 does not exceed two hundred fifty thousand dollars or ten percent of the total project, 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.
- (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 consider 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.



\$2,000,000) and lengthened the preliminary engineering duration to allow adequate time to complete the required permits. This change has delayed the construction delivery and impacted the cash flow of the preliminary engineering phase.

A. What alternatives were explored and why was this alternative chosen?

This project is funded with Local and TPA funds. Program capacity exists within existing TPA appropriation levels. This approach makes use of the existing capacity.

**Current Plan:**

Project Phase	17-19	19-21	21-23	23-25	25-27	27-29	29-31	Total
PE	0	1,113,000	0	0	0	0	0	1,113,000
RW	0	2,000	0	0	0	0	0	2,000
CN	0	31,000	3,009,000	0	0	0	0	3,040,000
TOTAL	0	1,146,000	3,009,000	0	0	0	0	4,155,000

**Proposed Plan:**

Project Phase	17-19	19-21	21-23	23-25	25-27	27-29	29-31	Total
PE	0	1,479,000	21,000	0	0	0	0	1,500,000
RW	0	2,000	0	0	0	0	0	2,000
CN	0	65,000	7,433,000	0	0	0	0	7,498,000
TOTAL	0	1,546,000	7,331,000	0	0	0	0	9,000,000

**RECIPIENT**

**Request No. 19-21 Q8 R03**

**Notification Type:** ✓ 601 Transfer                      601 Reappropriation                      Administrative

**Type of Change:** ✓ Budget  
Total Project Cost                      Schedule                      Scope  
➡ Biennial Aging

**Revenue Package** ✓ CWA                      TPA                      PEF

**Project Title:** US-12/Walla Walla Corridor Improvements

**Project Number:** T20900R

**Program:** Improvement

**WSDOT Region:** SCR

**County:** Walla Walla

**Leg. District:** 16



**Project Description from 21LEGFIN:**

Completes the US 12 four lane highway new alignment from Nine Mile Hill to Frenchtown Vicinity (phase 7). Provides design and right of way for the final remaining four lane section, Wallula to Nine Mile Hill (phase 8).

**Justification of Need:**

1. What is the requested change to this project?

Requesting the authority to advance \$1,711,000 of CWA funding from the 2021-23 biennium into 2019-21 to account for the Design-Builder’s accelerated expenditures.

2. Why is this requested change needed?

This project is under construction. The Design-Builder progressed faster than expected during the final months of the biennium and this advancement reflects payment vouchers submitted during the final close-out of the biennium.

A. What alternatives were explored and why was this alternative chosen?

Approvals:

This project is funded with CWA funds. Program capacity exists within existing CWA appropriation levels. This approach makes use of the existing capacity.

**Current Plan:**

Project Phase	Prior	19-21	21-23	23-25	25-27	27-29	29-31	Total
PE	6,940,000	3,198,000	2,764,000	5,060,000	0	0	0	17,962,000
RW	5,067,000	1,593,000	5,854,000	10,599,000	48,000	0	0	23,161,000
CN	2,182,000	31,000	84,310,000	5,738,000	0	0	0	142,062,000
TOTAL	14,212,000	54,623,000	92,928,000	21,397,000	48,000	0	0	183,208,000

**Proposed Plan:**

Project Phase	Prior	19-21	21-23	23-25	25-27	27-29	29-31	Total
PE	6,963,000	3,198,000	2,764,000	5,060,000	0	0	0	17,985,000
RW	5,067,000	993,000	3,454,000	12,599,000	48,000	0	0	22,161,000
CN	2,182,000	52,118,000	81,024,000	7,738,000	0	0	0	143,062,000
TOTAL	14,212,000	56,309,000	87,242,000	25,397,000	0	0	0	183,208,000





This project is funded primarily with CWA funds. Program capacity exists within existing CWA appropriation levels. This approach makes use of the existing capacity.

**Current Plan (\$ thousands):**

<b>Project Phase</b>	<b>Prior</b>	<b>19-21</b>	<b>21-23</b>	<b>23-25</b>	<b>25-27</b>	<b>27-29</b>	<b>Future</b>	<b>Total</b>
PE	28,218	49,779	43,563	16,570	0	0	0	138,130
RW	58,949	73,357	8,402	0	0	0	0	140,708
CN	3,464	66,374	435,749	534,766	502,511	136,998	0	1,679,862
<b>TOTAL</b>	<b>90,631</b>	<b>189,510</b>	<b>487,714</b>	<b>551,336</b>	<b>502,511</b>	<b>136,998</b>	<b>0</b>	<b>1,958,700</b>

**Proposed Plan (\$ thousands):**

<b>Project Phase</b>	<b>Prior</b>	<b>19-21</b>	<b>21-23</b>	<b>23-25</b>	<b>25-27</b>	<b>27-29</b>	<b>Future</b>	<b>Total</b>
PE	28,218	49,779	43,563	16,570	0	0	0	138,130
RW	58,949	73,357	8,402	0	0	0	0	140,708
CN	3,464	67,974	434,149	534,766	502,511	136,998	0	1,679,862
<b>TOTAL</b>	<b>90,631</b>	<b>191,110</b>	<b>486,114</b>	<b>551,336</b>	<b>502,511</b>	<b>136,998</b>	<b>0</b>	<b>1,958,700</b>







