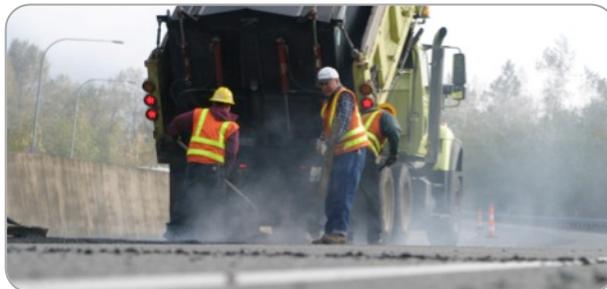


WSDOT 2015-2017 Budget Request



Cam Gilmour
Deputy Secretary

Lynn Peterson
Secretary of Transportation

Washington State Transportation Commission
November 19, 2014

Shrinking Budget

- Nickel and TPA Programs
- Preservation Funding

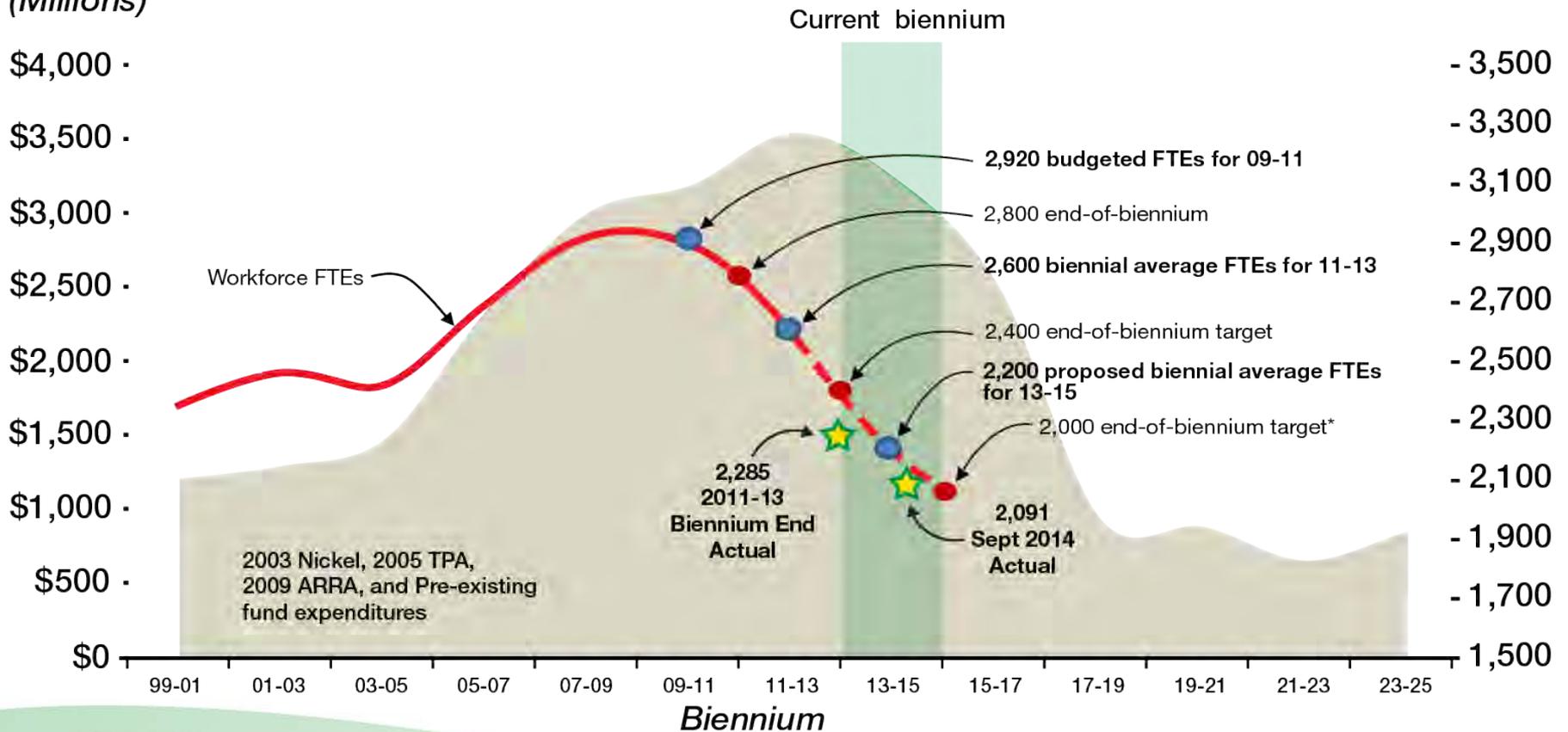
2015 agency proposed budget highway construction program

Program expenditures and workforce projection

Includes the improvement and preservation programs with two exceptions: excludes expenditures for the Tacoma Narrows Bridge and expenditures in the improvement program reimbursed by Sound Transit.

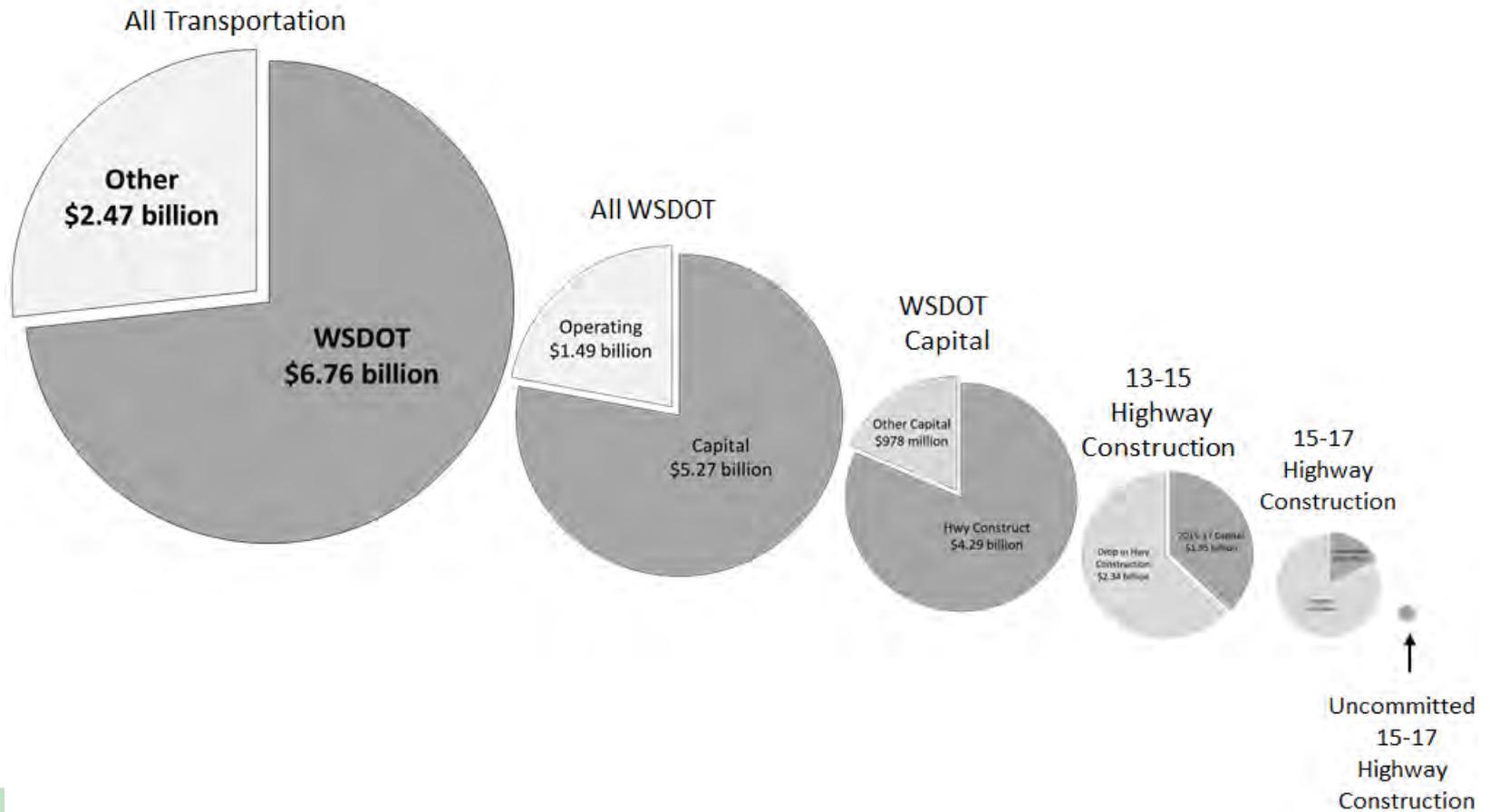
Total dollars
(Millions)

Workforce

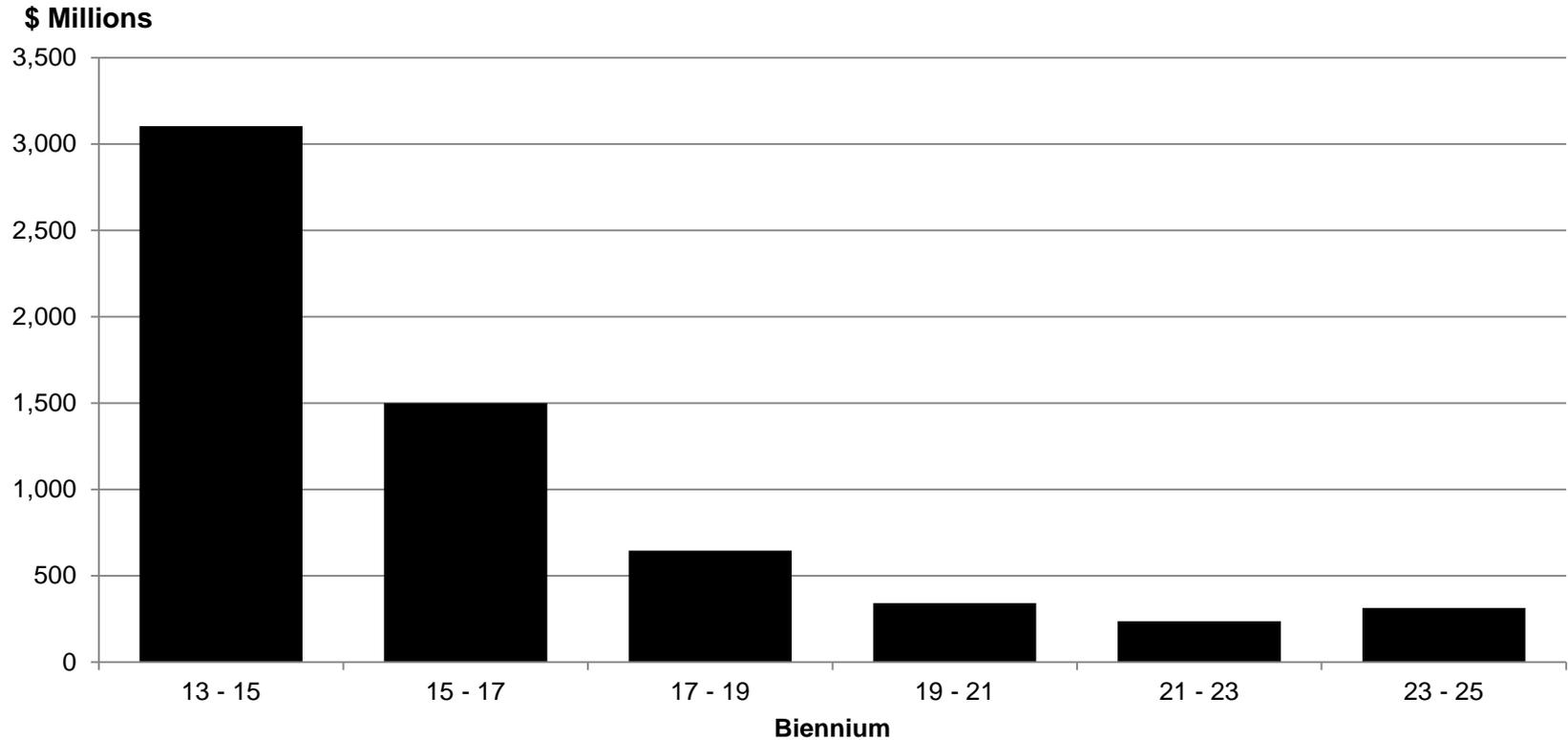


* 2015-2017 and beyond: Maximum workforce will be maintained at or below 2,000 FTE's (Engineering & Technical Core Competency Level), dependent on work load.

Transportation budget is large, but most of the budget is already committed

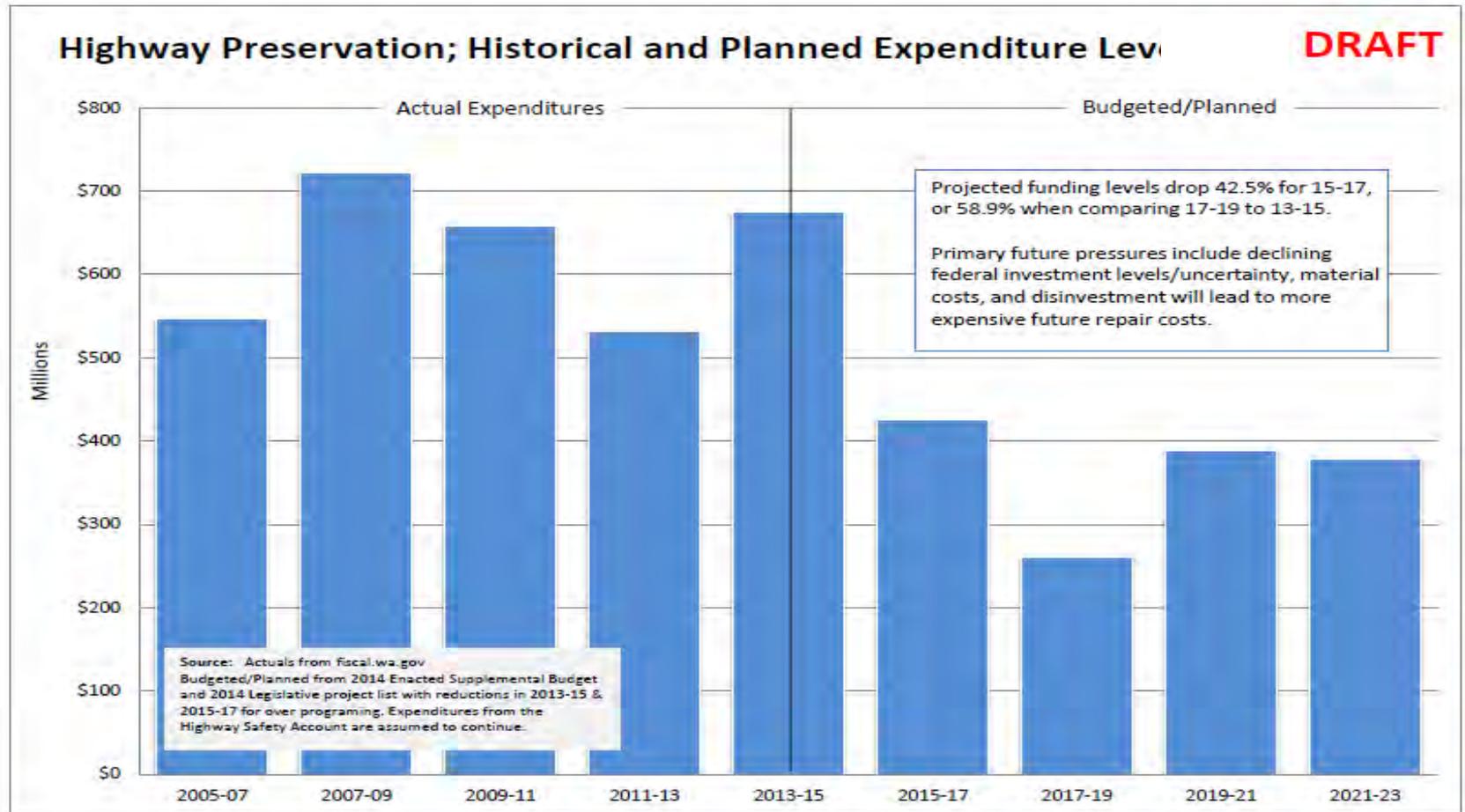


Washington State Highway Capital Construction Improvement Program - Current Biennium and 10 Year Outlook*



* Based on 2014 Legislative Project List

Highway preservation investment levels expected to drop significantly



2015-2017

Budget Request Overview

- This was a difficult budget
- Needs exceeded available revenues
- Drop in preservation funding
- A number of ferry capital projects are largely unfunded
- Ferry operations still require large transfers from other accounts
- Culvert decision to address

OFM meeting in late March

- Shared 15-17 budget challenge
- Got direction on how to proceed
- Direction was to draft a balanced budget for the next three biennia

15-17 Budget Request

- Budget development process began with a deficit of about \$72 million
- Balanced for 15-17, but couldn't balance for the full six year plan

Major Budget Decisions

- Targeted reductions instead of across the board cuts
- Reduced highway safety and preservation funding for fish passage barrier removal
- Delays for some unfunded ferry capital projects
- Minimal targeted ferry service level reductions

Major Budget Decisions continued

- Strategic reductions in some highway maintenance activities to balance the budget
- Focus on eliminating lower priority work and preserving levels of service on higher priority routes
- Regional Mobility Grant Program stays at their current level of \$40 million per biennium

Fish Passage Barriers

U.S. v Washington: U.S. District Court Injunction



WSDOT Fish Passage Program

- Partnership with WDFW starting early 1990's
- WSDOT barriers inventoried and prioritized statewide:
 - 1,987 barriers identified
 - 1,519 with significant habitat (>200 meters)
- 285 corrections to date; improving access to over 971 miles of stream habitat.



State-owned culverts impacts

- 1,019 WSDOT culvert barriers apply
- 847 with significant habitat
 - Must be corrected by 2030
 - Some barriers with smaller amounts of habitat (up to 10% of total) can be deferred
- All 1,019 must be corrected as culverts fail or other projects involve these culverts



\$2.4 billion estimated cost

- Does not include cost of correcting barriers outside the injunction area, or those identified after the date of the injunction
- Does not reflect 10% deferral of culverts with smaller amounts of habitat
- Projects currently in design have higher than originally estimated costs

2015-2017 Budget Policy Requests

- Fund least cost planning and practical design principles
- Funding to develop and utilize a statewide model to assist statewide multimodal long-range transportation planning
- Bolster training for ferry terminal and vessel crew to ensure that safe and reliable ferry service continues

2015-2017 Budget

Policy Requests continued

- Investments to build organizational strength through leadership training and succession planning
- Investments to fill in the gaps in our EV charging network on I-5 and I-90
- Investments to improve and support the departments website
- We also set aside some funding for compensation adjustments in case the Governor includes something in his budget (salaries, benefits, or pensions)

Budget Status

- The budget is now with OFM who are starting to build the Governor's budget proposal
- Copies also went to committee staff and the entire submittal is available on our website
- This budget was hard, but it will be even more difficult for OFM as they build the Governor's budget
 - Balancing our request against the needs of the other transportation agencies (WSP troopers/equipment and DOL computer system needs)
 - Could be additional cuts

WSDOT Reforms

Develop a team committed to expedited project delivery

- Reform I: Ensure efficiency and accuracy through strong management direction
- **Reform II: Reward innovation in cost-effective design and construction management**
- Reform III: Develop workforce
- **Reform IV: Increase opportunities for disadvantaged business enterprise (DBE)**

Implement programs that save money and mitigate risk

- **Reform V: Implement Practical Design**
- Reform VI: Strengthen quality assurance protocols for increased accountability
- **Reform VII: Expand and strengthen construction contracting methods and protocols**
- Reform VIII: Implement vessel construction and maintenance improvements suggested by State Auditor's Office

Establish cost-effective and efficiency measures to improve performance

- Reform IX: Lean, more cost-effective operations
- Reform X: Streamline tolling operations, costs and efficiencies

Reform IX: Lean, more cost-effective operations

Develop a team committed to Lean

- Train 40 Lean Practitioners
- Every employee is a problem solver, every leader is a coach

Evaluate processes that save money and mitigate risk

- Lean is not an acronym, nor is it about eliminating jobs
- It's about freeing up staff to do more value added activity
- Focus on speed, quality, safety

Role of Employees

- Learn about thinking, methods, and tools
- Become skilled at scientific problem solving
- Serve on process improvement project teams
- Support implementation and be subject matter experts

Roles of Leaders

- Adopt Lean thinking, methods, and tools – devote time, support, mentor, coach
- Actively champion the agency's vision, direction, and efforts – celebrate success
- Ultimately responsible for outcomes and answerable for culture change

Results WSDOT- Setting WSDOT's Direction

Goal 1 STRATEGIC INVESTMENTS



Effectively manage system assets and multimodal investments on corridors to enhance economic vitality

Goal 4 ORGANIZATIONAL STRENGTH



Support a culture of multidisciplinary teams, innovation and people development through training, continuous improvement and Lean efforts

Goal 2 MODAL INTEGRATION



Optimize existing system capacity through better interconnectivity of all transportation modes

Goal 5 COMMUNITY ENGAGEMENT



Strengthen partnerships to increase credibility, drive priorities and inform decision making

Goal 3 ENVIRONMENTAL STEWARDSHIP



Promote sustainable practices to reduce greenhouse gas emissions and protect natural habitat and water quality

Goal 6 SMART TECHNOLOGY



Improve information system efficiency to users and enhance service delivery by expanding the use of technology