

July 14, 2022

Joint Transportation Executive Committee  
Chair Lias, Chair Fey, Ranking Member King, Ranking Member Barkis

RE: Local Share of Federal Transportation Revenue

Dear JTC Executive Committee members,

We want to thank you for convening this workgroup of diverse transportation stakeholders to discuss and develop recommendations on the distribution of federal-aid highway formula programs coming from the Infrastructure Investment and Jobs Act (IIJA). As you know, Washington is expected to receive approximately \$5.443 billion in highway-aid funding. This historic Act represents \$1.7 billion more than the FAST Act and an opportunity for equitable investments in both state and local transportation system needs, ensuring that constituents can seamlessly transition from state highways to local roads. Noting this unique opportunity, we have outlined several key proposals below that we believe will support those needs.

### **Bridge Formula Program**

We request that in years three through five of IIJA, 61% of the Bridge Formula program be directed to the WSDOT Local Bridge Program. In the Move Ahead Washington transportation package, prioritization was focused on state preservation and maintenance needs and was designed to get dollars in action as quickly as possible—resulting in an 85% (state) 15% (local) split for the first biennium, and increasing the local share to 39% for years three through five. While we appreciate this increase from the first biennium, it is not enough to cover the needs of local bridge repair or replacement. The long-term management and preservation of bridges is more complex and costly than that of roads. Further, because agencies such as the Transportation Improvement Board (TIB) and the County Road Administration Board (CRAB) are unable or limited in assisting locals with bridge projects, a dedicated program such as the Bridge Formula Program is exceedingly important. By increasing the total formula funds directed to the Local Bridge Program, the maximum funding cap may also be increased to at least \$25 million, giving greater opportunity for locals to apply and receive adequate funding for larger projects. Finally, as a key function of the Bridge Formula Program, there is a zero percent match for locally owned off-system bridges. Cities and counties regularly identify match as one of the many challenges associated with federal funds.

### **Protect Program**

To address the federal court injunction for fish passage, the Move Ahead package singularly focused on funding state-owned culverts and neglected to address local culvert needs. Additionally, within the first biennium, Move Ahead directs 100% of PROTECT funds to the state; it then increases the local share to 39% in years three through five. While we appreciate the increase, this split is not enough to address local culvert needs. We request that, in years three through five, 100% of the PROTECT funds (or equivalent state funds) be directed to the Brian Abbott Fish Barrier Removal Board. This statewide program supports both state and local applicants. Currently, there are over 8,000 locally owned fish barriers to replace, with an average cost of \$1.8 million per culvert. The overall cost of replacement far outpaces what is available to locals. PROTECT is intended to address outstanding resiliency needs such as upgrades to culverts designed to withstand 100-year flood events. Directing these funds (or equivalent state funds) towards fish barrier removal supports the statewide goal of using a watershed approach to protect salmon and the overall ecosystem.

**National Highway Freight Program**

Earlier in 2022, the National Highway Freight Program (NHFP) completed a project selection process, per legislative direction. The outcome of that process translates to a 71% (state) 29% (local) split<sup>1</sup> over the five years of the IJA. To offer more balance and provide funding for an overlooked yet important need, we recommend \$20 million of the previously reserved state portion of NHFP be allocated to a state/local truck parking collaborative designed to begin addressing opportunities outlined in the Truck Parking Action Plan completed by the Joint Transportation Committee (JTC) earlier this year.

**Surface Transportation Block Grant Program**

During the 2016 Fixing America’s Surface Transportation (FAST) Act negotiations, state and local partners agreed to a 79% (local) 21% (state) split of STBGP funds. The Move Ahead package moves away from this agreed upon split and decreases the local share to 71% without input from locals. This shifts nearly \$100 million dollars away from local jurisdictions, which otherwise would be used to address local preservation and maintenance needs. We request that the split be restored to 79% (locals), which honors the original agreement.

**National Highway Performance Program**

In Washington, responsibility for the National Highway System (NHS) is split between state and local jurisdictions. Currently, locals own approximately 23% of the NHS; and of this, 31% of the Non-Interstate NHS is managed by over 100 local agencies. These routes support the economic vitality of communities around Washington. However, despite owning 23% of the NHS system, locals only receive 13% of NHPP funding. Given that these roads function as the first and last mile in supporting the state economy, we request that local jurisdictions receive a small increase in NHPP funding to better support system-wide preservation and maintenance. Specifically, we request that in years three through five of the IJA, local receive 15% of NHPP funds. Finally, we request that at the appropriate time, an ongoing dialogue occur to revisit appropriate fund splits to support local preservation and maintenance needs.

IIJA	2022		2023		2024		2025		2026	
	State	Local	State	Local	State	Local	State	Local	State	Local
<b>NHPP</b>	87%	13%	87%	13%	85%	15%	85%	15%	85%	15%

**Pilot Federal Fund Exchange Program**

We request that a pilot federal fund exchange program be considered as a further measure to support locals in benefitting from federal funding. This request falls in line with the recommendations put forward in both the City and County Transportation Funding Needs assessment as a solution to help jurisdictions defederalize projects and deliver in a more efficient fashion.

Acknowledging that the State Legislature will need to take action in authorizing such a program, we welcome an ongoing discussion of this proposal.

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<sup>1</sup>Two projects supported by local governments but physically located on the state system totaling \$9.5 million were selected during the National Highway Freight Program (NHFP) local project selection process. Furthermore, 100% of federal fiscal year NHFP funding went to the state. Considering these two elements and assuming the remainder of the projects selected during the NHFP local project selection process are obligated, the effective state/local split for NHFP would be 71% (state) 29% (local).

**Federal Competitive Grant Funding**

We welcome the opportunity to discuss and champion unique and mutually beneficial ways both state and locals can participate in and advocate for federal competitive transportation funding. Allowing a portion of formula funding to be dedicated, when applicable, to federal competitive grant applications or Congressionally Directed Spending would result in more federal funding coming to Washington state.

We thank you again for the opportunity to participate in this stakeholder process and to share our recommendations with the Executive Committee. Ensuring that both state and local transportation systems are equitably funded is essential to support the transportation needs of every resident in Washington. We stand ready to continue to work collaboratively with all stakeholders and look forward to the final decision of the Committee.



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Mayor Rob Puttaansuu, City of Port Orchard, for the Association of Washington Cities



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Councilmember Ryan Mello, Pierce County, for the Washington State Association of Counties



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Mayor Cassie Franklin, City of Everett, for the Puget Sound Regional Council



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Mayor Kevin Freeman, City of Millwood, for the Spokane Regional Transportation Council

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Commissioner Michael Fredrickson, Port of Walla Walla, for the Washington Public Ports Association

CC:

Roger Millar, Secretary, Washington State Department of Transportation  
Leonard Forsman, Chairman, Suquamish Tribe  
Debbie Driver, Senior Policy Advisor, Office of the Governor  
Justin Leighton, Washington Transit Association  
Erik Hansen, Senior Budget Advisor, Office of Financial Management