

September 13, 2023

Mr. David Schumacher, Director
Office of Financial Management
PO Box 4313
Olympia, WA 98504-3113

Dear David:

Enclosed is the Washington State Department of Transportation (WSDOT) 2024 supplemental budget request for the 2023-25 biennium. WSDOT's priorities in this budget request are to be mindful of the state's current fiscal position while ensuring expenses for required items such as insurance, credit cards fees, and increases of materials are supported as we start this biennium. This request is limited to seeking 1) necessary technical corrections to the 2023-25 enacted budget, 2) funding to implement legislative mandates on programmed work, 3) grant program reappropriations, 4) continuation of delivering Connecting Washington and Move Ahead Washington as well as other capital projects to the extent possible, and 5) strategic investments for Washington State Ferries operations in support of the Governor's highest priority goals.

Additionally, this request includes funding adjustments to some projects that were the result of the current bid environment for large, complex projects. The department continues to track these trends and if needed will provide updated project cost information for impacted projects as a part of its regular November update to OFM.

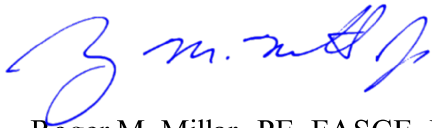
The department recognizes the state's fiscal limitations based on current forecasted revenues, but there is still a significant unfunded need. Examples of WSDOT's needs that are not included in this supplemental request include: (a) unavoidable operating cost increases we typically request such as increases for utilities in our facilities and third party damages in highway maintenance, resulting in reductions elsewhere in already constrained programs; (b) very limited preservation construction for the remainder of the biennium, increasing our preservation backlog; (c) additional need to fully deliver preservation projects with accompanying Complete Streets and safety improvements.

Additionally, it is important to note that the enacted budget appropriations do not fully fund the 2023-25 capital project list. Projects supported by the state sources in the Connecting Washington and Move Ahead Washington accounts would need at least an additional \$265 million and \$165 million respectively to align with legislative project list delivery expectations.

Mr. David Schumacher
September 13, 2023
Page 2

We appreciate your consideration of this budget request and look forward to future discussion on how to fully fund WSDOT's outstanding needs. If we may be of further assistance, please contact myself or Amber Coulson, Budget Director at 360-705-7500.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. M. Millar", is positioned above the printed name.

Roger M. Millar, PE, FASCE, FAICP
Secretary of Transportation

RM:mw

cc: Amber Coulson, WSDOT Budget Director
Doug Vaughn, WSDOT Principal Financial Officer