



September 30, 2019

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

RE: Section 601(1) - Fund Transfers (2018 c 297 s 601) Letter

Section 601 (1) of Chapter 297, Laws of 2018 (ESSB 6106) 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 is one fund transfer request per section 601 (1)(g) for the quarter ending June 30, 2019. There are administrative transfers of under \$250,000 or less than 10 percent per section 601 (1)(h), which has been communicated in a separate letter dated September 11<sup>th</sup>, 2019. There was also a section 601(1)(g) fund transfer for the Fish Passage Barrier (0BI4001) funding communicated in a separate letter dated September 12<sup>th</sup>, 2019.

<b>Project(s) requiring additional cash flow funding (\$ Thousands)</b>	<b>CWA</b>	<b>TPA</b>	<b>Total</b>	<b>Description</b>
Preservation Activities (L1000198)	0	631	631	Project expenditures during the 25 <sup>th</sup> month accounting period for closeout of the 2017-19 biennium.
<b>Total</b>	<b>0</b>	<b>0</b>	<b>631</b>	

Included in this request is a “Donor” project that provides the offset to the increase.

<b>Project(s) providing additional cash flow (\$ Thousands)</b>	<b>CWA</b>	<b>TPA</b>	<b>Total</b>	<b>Description</b>
SR 290/Spokane River E Trent Br - Replace Bridge (629001D)	0	631	631	This project will be delivered over three construction seasons rather the two. Estimated cash flow has been updated accordingly
<b>Total</b>	<b>0</b>	<b>631</b>	<b>631</b>	

Director Schumacher  
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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: 2018 c 297 s 601

cc: Erik Hansen, OFM

## IMPLEMENTING PROVISIONS

**Sec. 601.** 2017 c 313 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 (~~(2017-1)~~ 2018-1 as developed (~~(April 20, 2017)~~ March 5, 2018, 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 2017-2019 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 2018 supplemental omnibus transportation appropriations act, any unexpended 2015-2017 appropriation balance as approved by the office of financial management, in consultation with the legislative staff 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 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.

(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.



