



Proposed 2010 Supplemental Capital Budget

PSHB 2836 Budget Summary

February 23, 2010

Representative Dunshee, Chair
House Capital Budget Committee

2009-11 Capital Budget - 2010 Supplemental
House Chair Proposal - PSHB 2836
New Appropriations Including Alternatively Financed Projects

(Dollars in Thousands)

	Debt Limit Bonds	Other Fund Sources	Total Funds
2009-11 Biennial Capital Budget¹	1,840,586	1,426,917	3,267,503
2010 Supplemental Capital Budget²	-5,548	317,131	311,583
Bond Capacity Adjustments			
Reappropriation	-25,018	9,208	-15,810
Allotment Reductions			
OFM - Reduce or Withhold Allotment Approval ³	-42,000		-42,000
Total For Bond Capacity Purposes	1,768,020	1,753,256	3,521,276
Additional Bond Model Adjustments			
Catastrophic Flood Relief	-45,700		

¹ 2009-11 Capital Budget enacted as Chapter 497, Laws of 2009, Partial Veto (ESHB 1216).

² 2010 House Chair Proposed Supplemental Capital Budget (PSHB 2836)

³ OFM is directed to reduce allotments in the amount of \$42 million. See section 1017 of PSHB 2836

2010 SUPPLEMENTAL CAPITAL BUDGET SUMMARY

BOND CAPACITY

Bond capacity available to finance capital projects in the 2010 Supplemental Capital Budget is reduced due to declining general state revenues.

The 2009-11 Capital Budget assumed an unofficial "working debt limit" of 8.75 percent to avoid the possibility of exceeding the 9 percent constitutional debt limit should general state revenues decline, interest rates rise, and to leave room to address emergencies or unforeseen circumstances. Even with the new undedicated revenue level proposed by Governor Gregoire, the current bond appropriation, \$1.84 billion, exceeds the working debt limit by over \$72 million.

In order to maintain capital appropriations in line with the state's 8.75 percent working debt limit, the House Chair proposal reduces overall bond appropriations by \$31 million and directs the Office of Financial Management to work with state agencies to achieve savings in the amount of \$42 million by reducing allotments or by withholding allotment approval for those projects that have not demonstrated substantial progress toward contract execution by November 30, 2010.

SAVINGS

OSPI School Construction Assistance Grant Program (-\$109.8 million)

The 2009-11 School Construction Assistance Grant Program is reduced to reflect revised assumptions regarding eligible K-12 public schools expected to request construction reimbursement for the remainder of the biennium.

General Construction Savings (-\$100 million)

The current economy has led to a decline in the construction industry, resulting in a competitive construction market where demand for jobs exceeds the construction work available. The increased competition among construction contractors has led to a decline in construction costs. Over the past year, construction bid results have averaged 20 percent less than the original project cost estimate.

The House Chair Proposed 2010 Supplemental Capital Budget reflects projected savings from lower constructions costs, bid results, and actual project savings. In addition, construction management costs within design appropriations are deferred until the construction phase is approved by the Legislature.

Savings include: (1) projects that have awarded construction bids lower than originally expected (\$51 million); (2) projects that will not move forward or have been completed with savings (\$10.6 million); (3) projects that have not yet awarded bids have an assumed savings of 15 percent (\$13 million); and design savings associated with construction management (\$12.4 million).

Reduce Allotments or Withhold Allotment Approval (-\$42 million)

The Office of Financial Management is directed to work with state agencies to achieve savings by reducing previously approved allotments or by withholding approval for those projects that have not shown substantial progress toward contract execution by November 30, 2010.

Criminal Justice Training Commission Dormitory (-\$16.7 million)

The construction appropriation for the Hawthorne Hall Dormitory is removed.

NEW APPROPRIATIONS

Jobs Act for K-12 Public Schools (+\$200 million)

Funding is provided to create jobs through energy efficiency improvements in K-12 public schools. School districts may apply to the Office of the Superintendent of Public Instruction for grants for energy efficiency projects that lead to energy and operational cost savings.

Housing Assistance (+\$100 million)

An additional \$92.5 million in bonds and \$7.5 million from the Housing Trust Fund (HTF) Account is provided for housing assistance to low-income populations, including a set aside of \$5 million for housing general assistance unemployable (GAU) clients that are homeless and have a mental or behavioral health disorder. The housing must be provided in coordination with community agencies that can offer supportive services. The \$7.5 million from the HTF Account assumes passage of Substitute House Bill 3177, which requires a \$62 surcharge fee on assignments or substitutions of previously recorded deeds of trust.

Environmental Clean Up - Clean Water Act of 2010 (+\$54 million)

Substitute House Bill 3181 increases the fee on hazardous substances and distributes the funds to several accounts, including the Puget Sound Recovery Account (\$5 million for Puget Sound restoration) and a new Storm Water Account (\$49 million for storm water cleanup).

Risk Pool (+\$10 million)

Funding is provided for a risk pool, administered by the Office of Financial Management, to complete projects within the original scope authorized. The risk pool is only for state agency projects included in the 2010 Supplemental Capital Budget with reduced appropriations.

Other Supplemental Appropriations (+\$155.7 million)

Funding is provided for a variety of purposes including: (1) state match for the use of federal funds; (2) additional appropriation authority to spend federal funds; (3) state participation in settlements and agreements; (4) emergency projects; and (5) to facilitate closure of the Main Institution at the Washington State Penitentiary.

ALTERNATIVE FINANCING

The University of Washington is given the authority to sell university bonds for the reconstruction of Balmer Hall (\$38.6 million) and the Burlington Northern land easement purchase in Tacoma (\$2 million).

Washington State University is provided Certificate of Participation (COP) authority to replace their Student Information System (\$15 million).

2009-11 Capital Budget - 2010 Supplemental
House Chair Proposal - PS HB 2836
(Dollars in Thousands)

PROJECTS	New		Debt Limit Bonds		New		Total	
	Appropriations	Reappropriations	Appropriations	Reappropriations	Appropriations	Reappropriations	Appropriations	Reappropriations
GOVERNMENTAL OPERATIONS								
Department of Commerce								
Building for the Arts Grants	-1,000	0	0	0	-1,000	0	-1,000	0
Community Development Fund	0	-250	-250	0	-250	0	-250	0
Community Schools	1,500	0	0	0	1,500	0	1,500	0
Drinking Water State Revolving Fund Loan Program	0	0	0	0	0	0	2,930	0
Housing Assistance, Weatherization, and Affordable Housing	92,541	0	0	0	92,541	0	100,000	0
Local and Community Projects	-1,000	0	0	0	-1,000	0	-1,000	0
Local and Community Projects	0	-1,150	-1,150	0	-1,150	0	-1,150	0
Local and Community Projects	0	-2,950	-2,950	0	-2,950	0	-2,950	0
Quillayute Valley Wood-Fire Boiler	980	0	0	0	980	0	980	0
Snohomish County Biodiesel	81	0	0	0	81	0	81	0
Temporary Public Works Grant Program	-8,500	0	0	0	-8,500	0	0	0
Total	84,602	-4,350	-4,350	0	80,252	0	103,491	-5,411
Office of Financial Management								
Cowlitz River Dredging	500	0	0	0	500	0	500	0
Risk Pool	10,000	0	0	0	10,000	0	10,000	0
Total	10,500	0	0	0	10,500	0	10,500	0
Department of General Administration								
Capitol Lake Plan Completion	0	-150	-150	0	-150	0	-150	0
Facility Oversight Program: Staffing	-740	0	0	0	-740	0	0	0
Legislative Building Improvements	-500	0	0	0	-500	0	0	0
O'Brien Building Improvements	-9,671	0	0	0	-9,671	0	-1,451	0
Powerhouse: Improvements and Preservation	-1,459	0	0	0	-1,459	0	-219	0
Pro Arts Building	-1,775	0	0	0	-1,775	0	-1,775	0
Total	-14,145	-150	-150	0	-14,295	0	-3,445	-150
Military Department								
Camp Murray New Primary Gate Entrance West Gate Entrance	0	0	0	0	0	0	4,927	0
Combined Support Maintenance Shop Design and Construction	0	0	0	0	0	0	4,736	0
Minor Works Preservation	0	0	0	0	0	0	5,603	0
Minor Works Program	0	0	0	0	0	0	2,460	0
Total	0	0	0	0	0	0	17,726	0
Department of Transportation								
Commute Trip Reduction for Thurston County State Agencies	0	0	0	0	0	0	-84	0
Total Governmental Operations	80,957	-4,500	-4,500	0	76,457	0	128,188	-5,561
Total	103,491	-4,350	-4,350	0	99,141	0	141,699	-5,561

2009-11 Capital Budget - 2010 Supplemental
House Chair Proposal - PSHB 2836
(Dollars in Thousands)

PROJECTS	New		Debt Limit Bonds		New		Total	
	Appropriations	Reappropriations	Appropriations	Reappropriations	Appropriations	Reappropriations	Appropriations	Reappropriations
HUMAN SERVICES								
WA State Criminal Justice Training Commission								
Replace Hawthorne Hall Dormitory	-16,745	0	-16,745	0	-16,745	0	-16,745	0
Department of Labor and Industries								
Central Office Roof Replacement and Fall Restraint Upgrades	0	0	0	0	0	0	2,500	0
Department of Social and Health Services								
Eastern State Hospital: Roof Replacements	-163	0	-163	0	-163	0	-163	0
Special Commitment Center: Utility Replacements	-524	0	-524	0	-524	0	-524	0
Total	-687	0	-687	0	-687	0	-687	0
Department of Health								
Drinking Water Assistance Program	0	0	0	0	0	0	14,000	0
Department of Veterans' Affairs								
State Veterans' Cemetery	0	0	0	0	0	0	1,909	0
Department of Corrections								
300 Minimum Security Bed Expansion - Three Locations Pre-design	0	-306	-306	0	-306	0	0	-306
Clallam Bay Corrections Ctr: Replace 5 Towers & Housing Roofs	-450	0	-450	0	-450	0	-450	0
Mission Creek Corrections Ctr for Women: 100 Bed Expansion	0	-912	-912	0	-912	0	0	-912
Monroe Corrections Complex: Water Line Replacements	-271	0	-271	0	-271	0	-271	0
Washington Corrections Ctr for Women: Roof Replacement	-275	0	-275	0	-275	0	-275	0
Washington State Penitentiary: Housing Units, Kitchen & Site Work	5,990	0	5,990	0	5,990	0	6,819	0
Washington State Penitentiary: Kitchen Improvements Pre-design	0	-402	-402	0	-402	0	0	-402
Washington State Penitentiary: Replace Roofs	0	-1,020	-1,020	0	-1,020	0	-1,020	0
Total	4,994	-2,640	-2,640	0	2,354	5,823	-2,640	3,183
Total Human Services	-12,438	-2,640	-15,078	6,800	-2,640	6,800	-2,640	4,160
NATURAL RESOURCES								
Department of Ecology								
Breazeale Interpretive Center	0	0	0	0	0	0	149	149
Centennial Clean Water Program	0	-10,120	-10,120	0	-10,120	0	0	0
Centennial Clean Water Program	-30,000	0	-30,000	0	-30,000	0	0	0
Clean Up Toxic Sites - Puget Sound	0	0	0	0	0	800	0	800
Clean Water Act of 2010	0	0	0	0	0	49,029	0	49,029
Cleanup Asarco Contamination on Washon/Maury Islands and Mines	0	0	0	0	0	36,500	0	36,500
Coordinated Prevention Grants	-10,000	0	-10,000	0	-10,000	0	0	0
Orphaned and Abandoned Site Cleanup Initiative	-600	0	-600	0	-600	0	0	0

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PROJECTS	Debt Limit Bonds			Total		
	New Appropriations	Reappropriations	Total	New Appropriations	Reappropriations	Total
Reducing Diesel Particle Emissions in Tacoma	0	0	0	1,000	0	1,000
Reducing Health Threats from Woodstove Pollution	-1,000	0	-1,000	0	0	0
Reducing Wood Smoke Particle Emissions in Tacoma	0	0	0	600	0	600
Remedial Action Grant Program	-37,700	0	-37,700	0	0	0
Safe Soils Remediation Program	-3,080	0	-3,080	0	0	0
Settlement Funding To Clean Up Toxic Sites	0	0	0	8,500	0	8,500
Skykomish Cleanup and Restoration	-2,300	0	-2,300	0	0	0
Stormwater Retrofit and Low-Impact Development Grant Program	-3,000	0	-3,000	0	0	0
Sunnyside Valley Irrigation District Water Conservation	4,400	0	4,400	4,400	0	4,400
Swift Creek Natural Asbestos Cleanup	-1,000	0	-1,000	0	0	0
Upper Columbia River Black Sand Beach Cleanup	-2,500	0	-2,500	-2,500	0	-2,500
Water Pollution Control Revolving Fund Program	0	0	0	42,000	0	42,000
Water Pollution Control Revolving Fund Program Match	0	0	0	1,400	0	1,400
Total	-86,780	-10,120	-96,900	141,729	149	141,878
State Parks and Recreation Commission						
Cama Beach State Park Phase 2C Development	-490	0	-490	-490	0	-490
Dash Point State Park: Sanitary Sewer Collection System Phase 2	-573	0	-573	-573	0	-573
Federal Grant Authority	0	0	0	1,000	0	1,000
Flaming Geyser State Park: Parkwide Infrastructure Redevelopment Con	-530	0	-530	-530	0	-530
Illahee State Park: Wastewater Treatment Upgrade Phase 2 Constructioi	-278	0	-278	-278	0	-278
Total	-1,871	0	-1,871	-871	0	-871
Recreation and Conservation Funding Board						
Aquatic Lands Enhancement Account	-2,470	0	-2,470	0	0	0
Department of Fish and Wildlife						
Mitigation Projects and Dedicated Funding	0	0	0	6,000	0	6,000
Puget Sound Partnership						
Clean Water Act of 2010	0	0	0	5,025	0	5,025
Department of Natural Resources						
Forest Biomass	750	0	750	750	0	750
Removal/Cleanup of Asarco Docks in Ruston/Commencement Bay	0	0	0	2,050	0	2,050
Total	750	0	750	2,800	0	2,800
Total Natural Resources	-90,371	-10,120	-100,491	154,683	149	154,832

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	Appropriations	Reappropriations	Appropriations	Reappropriations	Appropriations	Reappropriations	Appropriations	Reappropriations
HIGHER EDUCATION								
University of Washington								
Balmer Hall Reconstruction *	0	0	0	0	38,600	0	38,600	0
Denny Hall Renovation	0	-1,700	-1,700	0	0	-1,700	0	-1,700
Lewis Hall Renovation	0	-522	-522	0	0	-522	0	-522
Minor Works - Facility Preservation	-2,529	0	0	0	0	0	0	0
Savery Hall Renovation	0	-177	-177	0	0	-177	0	-177
UW Tacoma Phase 3	-3,225	0	0	0	-3,225	0	-3,225	0
UW Tacoma-Land Acquisition *	0	0	0	0	2,000	0	2,000	0
Total	-5,754	-2,399	-8,153	-2,399	37,375	-2,399	34,976	34,976
Washington State University								
Student Information System *	0	0	0	0	15,000	0	15,000	0
WSU Vancouver - Applied Technology and Classroom Building	-3,149	0	-3,149	0	-3,149	0	-3,149	0
Total	-3,149	0	-3,149	0	11,851	0	11,851	11,851
Eastern Washington University								
Patterson Hall Remodel	-2,430	0	-2,430	0	-2,430	0	-2,430	0
Central Washington University								
Hogue Hall Renovation and Addition	-7,797	0	-7,797	0	-7,797	0	-7,797	0
The Evergreen State College								
Laboratory and Art Annex Building Renovation	-727	0	-727	0	-727	0	-727	0
Western Washington University								
Miller Hall Renovation	-8,881	0	-8,881	0	-8,881	0	-8,881	0
Community & Technical College System								
Bates Technical College: Mohler Communications Technology Center	-192	0	-192	0	-192	0	-192	0
Belleuve Community College: Health Science Building	-1,356	0	-1,356	0	-1,356	0	-1,356	0
Belleuve Community College: L Building Emergency Repairs	0	-1,073	-1,073	0	0	-1,073	-1,073	-1,073
Bellingham Tech College Inst Resource Center Debt Service	0	0	0	0	2,438	0	2,438	0
Bellingham Technical College: Fisheries Program	-300	0	-300	0	-300	0	-300	0
Clark College: East County Satellite	0	-220	-220	0	0	-220	-220	-220
Clark College: Health and Advanced Technologies Building	-319	0	-319	0	-319	0	-319	0
Grays Harbor College: Science and Math Building	-2,474	0	-2,474	0	-2,474	0	-2,474	0
Green River Comm College New Classrooms Facility Debt Service	0	0	0	0	4,044	0	4,044	0
Green River Community College: Science Math & Technology Building	-586	0	-586	0	-586	0	-586	0
Green River Community College: Trades and Industry Building	-814	0	-814	0	-814	0	-814	0
Lake Washington Technical College: Allied Health Building	-2,110	0	-2,110	0	-2,110	0	-2,110	0
Lower Columbia College: Health and Science Building	-782	0	-782	0	-782	0	-782	0

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(Dollars in Thousands)

PROJECTS	New		Debt Limit Bonds		New		Total	
	Appropriations	Reappropriations	Appropriations	Reappropriations	Appropriations	Reappropriations	Appropriations	Reappropriations
North Seattle Community College: Employment Resource Center	-1,611	0	-1,611	0	-1,611	0	-1,611	0
North Seattle Community College: Technology Bldg Renewal	-835	0	-835	0	-835	0	-835	0
Olympic College: Sophia Bremer Child Development Center	-300	0	-300	0	-300	0	-300	0
Peninsula College: Business and Humanities Center	-5,589	0	-5,589	0	-5,589	0	-5,589	0
Pierce College Fort Steilacoom: Cascade Core Phase II	-796	0	-796	0	-796	0	-796	0
Seattle Central Community College: Seattle Maritime Academy	-1,528	0	-1,528	0	-1,528	0	-1,528	0
Seattle Central Community College: Wood Construction Center	-4,885	0	-4,885	0	-4,885	0	-4,885	0
Skagit Valley College: Academic and Student Services Building	-409	0	-409	0	-409	0	-409	0
South Puget Sound Community College: Building 22 Renovation	-1,500	0	-1,500	0	-1,500	0	-1,500	0
Spokane Community College: Building 7 Renovation	-1,405	0	-1,405	0	-1,405	0	-1,405	0
Spokane Community College: Technical Education Building	-6,003	0	-6,003	0	-6,003	0	-6,003	0
Spokane Falls Community College: Chemistry and Life Science Bldg	-6,793	0	-6,793	0	-6,793	0	-6,793	0
Spokane Falls Community College: Music Building 15 Renovation	-3,347	0	-3,347	0	-3,347	0	-3,347	0
Tacoma Community College: Health Careers Center	-901	0	-901	0	-901	0	-901	0
Tacoma Community College: Science Building Construction and Warrant	0	-918	0	-918	0	-918	0	-918
Walla Walla Community College Water and Environment Center	-263	0	-263	0	-263	0	-263	0
Wenatchee Valley College: Music and Arts Center	-300	0	-300	0	-300	0	-300	0
Yakima Valley Community College: College/City Library	-300	0	-300	0	-300	0	-300	0
Yakima Valley Community College: Palmer Martin Building	-515	0	-515	0	-515	0	-515	0
Total	-46,213	-2,211	-48,424	-2,211	-39,731	-2,211	-41,942	
Total Higher Education	-74,951	-4,610	-79,561	-4,610	-10,340	-4,610	-14,950	

K-12 and OTHER EDUCATION

K-12 Public Schools

2009-11 School Construction Asst. Grant Program	-112,420	0	-112,420	0	-168,779	0	-168,779	
Jobs Act for K-12 Public Schools	200,000	0	200,000	0	200,000	0	200,000	
North Central Technical Skills Center	0	0	0	0	-47	0	-47	
Northeast King County Skills Center	0	0	0	0	-997	0	-997	
Pierce County Skills Center	0	0	0	0	-1,500	0	-1,500	
Vocational Skills Center Minor Capital Projects	0	0	0	0	-100	0	-100	
Vocational Skills Centers	0	-3,000	-3,000	0	0	-3,000	-3,000	
Total	87,580	-3,000	84,580	-3,000	28,577	-3,000	25,577	

Center for Childhood Deafness & Hearing Loss

Lloyd Auditorium Emergency Repairs	2,500	0	2,500	0	2,500	0	2,500	
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PROJECTS	New		Debt Limit Bonds		New		Total		
	Appropriations	Reappropriations	Appropriations	Reappropriations	Appropriations	Reappropriations	Appropriations	Reappropriations	
Washington State Historical Society									
Statewide - Washington Heritage Project Grants	0	-65	-65	0	0	-65	0	-65	-65
Vancouver National Historic Reserve Visitors Center	750	0	0	0	750	0	750	0	750
Vancouver National Historic Reserve West Barracks	1,000	0	0	0	1,000	0	1,000	0	1,000
Washington Heritage Grants	0	-50	-50	0	0	-50	0	-50	-50
Washington Heritage Project Capital Grants	-575	0	0	0	-575	0	-575	0	-575
Washington Heritage Projects	0	-33	-33	0	0	-33	0	-33	-33
Total	1,175	-148	-148	-148	1,175	0	1,175	-148	1,027
Total K-12 and Other Education	91,255	-3,148	-3,148	88,107	32,252	-3,148	32,252	-3,148	29,104
TOTAL APPROPRIATIONS	-5,548	-25,018	-30,566	311,583	-15,810	295,773			

ALLOTMENT REDUCTIONS

Office of Financial Management
Reduce Allotments or Withhold Allotment Approval **

-42,000

STATEWIDE TOTAL

-72,566

ADDITIONAL BOND MODEL ADJUSTMENTS

Office of Financial Management
Catastrophic Flood Relief ***

-45,700

* Alternative finance projects.
** OFM is directed to reduce allotments in the amount of \$42 million.
*** Reflected as a bond model adjustment.

2009

2011



Washington State House of Representatives
Office of Program Research