



2010 Supplemental Capital Budget

SHB 2836

Budget Summary

As Passed House

Capital Budget Committee

February 24, 2010
House Capital Budget Committee

2009-11 Capital Budget - 2010 Supplemental (SHB 2836)
As Passed House Capital Budget Committee on 02-24-10
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 Budget (SHB 2836)	-5,257	297,131	291,874
Bond Capacity Adjustments			
Reappropriation	-70,718	9,208	-61,510
Allotment Reductions			
OFM - Reduce or Withhold Allotment Approval ²	-42,291	0	-42,291
Total	1,722,320	1,733,256	3,455,576
Additional Bond Model Adjustments			
Deduction of Catastrophic Flood Relief	45,700	0	45,700
For Bond Capacity Purposes	1,768,020	1,733,256	3,501,276

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

² OFM is directed to reduce allotments in the amount of \$42.3 million. See section 1017 of SHB 2836.

2010 SUPPLEMENTAL CAPITAL BUDGET SUMMARY

BOND CAPACITY

Working Debt Limit

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 2010 Supplemental Capital Budget directs the Office of Financial Management to work with state agencies to achieve savings in the amount of \$42.3 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 (-\$42.3 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. 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 (+\$156 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

University of Washington and Washington State University

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).

2010 SUPPLEMENTAL TRANSFERS

Capital Related Accounts

A total of \$165 million from several dedicated accounts traditionally appropriated in the capital budget are transferred to the state general fund in Proposed Substitute House Bill 2824, the 2010 supplemental operating budget.

2009-11 Capital Budget - 2010 Supplemental (SHB 2836)
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(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	-1,000	-1,000	0	-1,000	0
Community Development Fund	0	-250	-250	0	0	-250	0	-250
Community Schools	1,500	0	0	1,500	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	92,541	100,000	0	100,000	0
Local and Community Projects	-1,000	0	0	-1,000	-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	980	980	980	0	-980
Snohomish County Biodiesel	81	0	0	81	81	81	0	-81
Temporary Public Works Grant Program	-8,500	0	0	-8,500	0	0	0	0
Total	84,602	-4,350	-4,350	80,252	103,491	-5,411	98,080	0
Office of Financial Management								
Catastrophic Flood Relief	0	-45,700	-45,700	0	0	-45,700	0	-45,700
Cowlitz River Dredging	500	0	0	500	500	0	500	0
Risk Pool	10,000	0	0	10,000	10,000	0	10,000	0
Total	10,500	-45,700	-45,700	-35,200	10,500	-45,700	-35,200	0
Department of General Administration								
Capitol Lake Plan Completion	0	-150	-150	0	0	-150	0	-150
Facility Oversight Program: Staffing	-740	0	0	-740	0	0	0	0
Legislative Building Improvements	-500	0	0	-500	0	0	0	0
O'Brien Building Improvements	-9,671	0	0	-9,671	-1,451	0	-1,451	0
Powerhouse: Improvements and Preservation	-1,459	0	0	-1,459	-219	0	-219	0
Pro Arts Building	-1,775	0	0	-1,775	-1,775	0	-1,775	0
Total	-14,145	-150	-150	-14,295	-3,445	-150	-3,595	0
Military Department								
Camp Murray New Primary Gate Entrance West Gate Entrance	0	0	0	0	4,927	0	4,927	0
Combined Support Maintenance Shop Design and Construction	0	0	0	0	4,736	0	4,736	0
Minor Works Preservation	0	0	0	0	5,603	0	5,603	0
Minor Works Program	0	0	0	0	2,460	0	2,460	0
Total	0	0	0	0	17,726	0	17,726	0
Department of Transportation								
Commute Trip Reduction for Thurston County State Agencies	0	0	0	0	-84	0	-84	0
Total Governmental Operations	80,957	-50,200	-50,200	30,757	128,188	-51,261	76,927	0

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	Appropriations	Reappropriations	Appropriations	Reappropriations	Appropriations	Reappropriations	Appropriations	Reappropriations
HUMAN SERVICES								
WA State Criminal Justice Training Commission								
School Mapping	600	0	0	0	600	0	600	0
Replace Hawthorne Hall Dormitory	-16,745	0	0	0	-16,745	0	-16,745	0
Total	-16,145	0	0	0	-16,145	0	-16,145	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	0	0	-163	0	-163	0
Special Commitment Center: Utility Replacements	-524	0	0	0	-524	0	-524	0
Total	-687	0	0	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 Predesign	0	-306	-306	0	-306	0	-306	-306
Clallam Bay Corrections Ctr: Replace 5 Towers & Housing Roofs	-450	0	0	0	-450	0	-450	0
Mission Creek Corrections Ctr for Women: 100 Bed Expansion	0	-912	-912	0	-912	0	-912	-912
Monroe Corrections Complex: Water Line Replacements	-271	0	0	0	-271	0	-271	0
Washington Corrections Ctr for Women: Roof Replacement	-275	0	0	0	-275	0	-275	0
Washington State Penitentiary: Housing Units, Kitchen & Site Work	5,990	0	0	0	5,990	0	6,819	0
Washington State Penitentiary: Kitchen Improvements Predesign	0	-402	-402	0	-402	0	-402	-402
Washington State Penitentiary: Replace Roofs	0	-1,020	-1,020	0	-1,020	0	-1,020	-1,020
Total	4,994	-2,640	-2,640	0	2,354	5,823	-2,640	3,183
Total Human Services	-11,838	-2,640	-2,640	-14,478	7,400	-2,640	4,760	4,760
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	0	0	-30,000	0	0	0
Clean Up Toxic Sites - Puget Sound	0	0	0	0	0	800	0	800

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Clean Water Act of 2010	0	0	0	0	49,029	0	49,029	0	
Cleanup Asarco Contamination on Vashon/Maury Islands and Mines	0	0	0	0	16,500	0	16,500	0	
Coordinated Prevention Grants	-10,000	0	0	-10,000	0	0	0	0	
Orphaned and Abandoned Site Cleanup Initiative	-600	0	0	-600	0	0	0	0	
Reducing Diesel Particle Emissions in Tacoma	0	0	0	0	1,000	0	1,000	0	
Reducing Health Threats from Woodstove Pollution	-1,000	0	0	-1,000	0	0	0	0	
Reducing Wood Smoke Particle Emissions in Tacoma	0	0	0	0	600	0	600	0	
Remedial Action Grant Program	-37,700	0	0	-37,700	0	0	0	0	
Safe Soils Remediation Program	-3,080	0	0	-3,080	0	0	0	0	
Settlement Funding To Clean Up Toxic Sites	0	0	0	0	8,500	0	8,500	0	
Skykomish Cleanup and Restoration	-2,300	0	0	-2,300	0	0	0	0	
Stormwater Retrofit and Low-Impact Development Grant Program	-3,000	0	0	-3,000	0	0	0	0	
Sunnyside Valley Irrigation District Water Conservation	4,400	0	0	4,400	4,400	0	4,400	0	
Swift Creek Natural Asbestos Cleanup	-1,000	0	0	-1,000	0	0	0	0	
Upper Columbia River Black Sand Beach Cleanup	-2,500	0	0	-2,500	-2,500	0	-2,500	0	
Water Pollution Control Revolving Fund Program	0	0	0	0	42,000	0	42,000	0	
Water Pollution Control Revolving Fund Program Match	0	0	0	0	1,400	0	1,400	0	
Total	-86,780	-10,120	-10,120	-96,900	121,729	149	121,878	121,878	
State Parks and Recreation Commission									
Cama Beach State Park Phase 2C Development	-490	0	0	-490	-490	0	-490	0	
Dash Point State Park: Sanitary Sewer Collection System Phase 2	-573	0	0	-573	-573	0	-573	0	
Federal Grant Authority	0	0	0	0	1,000	0	1,000	0	
Flaming Geyser State Park: Parkwide Infrastructure Redevelopment Con	-530	0	0	-530	-530	0	-530	0	
Illahee State Park: Wastewater Treatment Upgrade Phase 2 Constructio	-278	0	0	-278	-278	0	-278	0	
Total	-1,871	0	0	-1,871	-871	0	-871	-871	
Recreation and Conservation Funding Board									
Aquatic Lands Enhancement Account	-2,470	0	0	-2,470	0	0	0	0	
Department of Fish and Wildlife									
Mitigation Projects and Dedicated Funding	0	0	0	0	6,000	0	6,000	0	
Puget Sound Partnership									
Clean Water Act of 2010	0	0	0	0	5,025	0	5,025	0	
Department of Natural Resources									
Forest Biomass	750	0	0	750	750	0	750	0	
Removal/Cleanup of Asarco Docks in Ruston/Commencement Bay	0	0	0	0	2,050	0	2,050	0	
Total	750	0	0	750	2,800	0	2,800	2,800	
Total Natural Resources	-90,371	-10,120	-10,120	-100,491	134,683	149	134,832	134,832	

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	Appropriations	Reappropriations	Appropriations	Reappropriations	Appropriations	Reappropriations	Appropriations	Reappropriations	Appropriations	Reappropriations
HIGHER EDUCATION										
University of Washington										
Balmer Hall Reconstruction *	0	0	0	0	0	0	38,600	0	38,600	0
Denny Hall Renovation	0	-1,700	-1,700	0	-1,700	0	0	-1,700	-1,700	0
Lewis Hall Renovation	0	-522	-522	0	-522	0	0	-522	-522	0
Minor Works - Facility Preservation	-2,529	0	0	0	-2,529	0	0	0	0	0
Savery Hall Renovation	0	-177	-177	0	-177	0	0	-177	-177	0
UW Tacoma Phase 3	-3,225	0	0	0	-3,225	0	-3,225	0	-3,225	0
UW Tacoma-Land Acquisition *	0	0	0	0	0	0	2,000	0	2,000	0
Total	-5,754	-2,399	-8,153	-2,399	-10,552	-2,399	37,375	-2,399	34,976	0
Washington State University										
Student Information System *	0	0	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	-3,149	0
Total	-3,149	0	-3,149	0	-3,149	0	11,851	0	11,851	0
Eastern Washington University										
Patterson Hall Remodel	-2,430	0	-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	-7,797	0
The Evergreen State College										
Laboratory and Art Annex Building Renovation	-727	0	-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	-8,881	0
Community & Technical College System										
Bates Technical College: Mohler Communications Technology Center	-192	0	-192	0	-192	0	-192	0	-192	0
Bellevue Community College: Health Science Building	-1,356	0	-1,356	0	-1,356	0	-1,356	0	-1,356	0
Bellevue Community College: L Building Emergency Repairs	0	-1,073	-1,073	0	-1,073	0	0	-1,073	-1,073	0
Bellingham Tech College Inst Resource Center Debt Service	0	0	0	0	0	0	2,438	0	2,438	0
Bellingham Technical College: Fisheries Program	-300	0	-300	0	-300	0	-300	0	-300	0
Clark College: East County Satellite	0	-220	-220	0	-220	0	0	-220	-220	0
Clark College: Health and Advanced Technologies Building	-319	0	-319	0	-319	0	-319	0	-319	0
Everett Community College: Infrastructure	-309	0	-309	0	-309	0	-309	0	-309	0
Grays Harbor College: Science and Math Building	-2,474	0	-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	0	0	4,044	0	4,044	0
Green River Community College: Science Math & Technology Building	-586	0	-586	0	-586	0	-586	0	-586	0
Green River Community College: Trades and Industry Building	-814	0	-814	0	-814	0	-814	0	-814	0

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	Appropriations	Reappropriations	Appropriations	Reappropriations	Appropriations	Reappropriations	Appropriations	Reappropriations
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
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	-46,522	-2,211	-48,733	-40,040	-40,040	-2,211	-42,251	-42,251
Total Higher Education	-75,260	-4,610	-79,870	-10,649	-10,649	-4,610	-15,259	-15,259
K-12 and OTHER EDUCATION								
K-12 Public Schools								
2009-11 School Construction Asst. Grant Program	-112,420	0	-112,420	0	-112,420	0	-112,420	0
Jobs Act for K-12 Public Schools	200,000	0	200,000	0	200,000	0	200,000	0
North Central Technical Skills Center	0	0	0	0	0	0	0	0
Northeast King County Skills Center	0	0	0	0	0	0	0	0
Pierce County Skills Center	0	0	0	0	0	0	0	0
Vocational Skills Center Minor Capital Projects	0	0	0	0	0	0	0	0
Vocational Skills Centers	0	-3,000	-3,000	0	-3,000	0	-3,000	0
Total	87,580	-3,000	84,580	28,577	28,577	-3,000	25,577	25,577
Center for Childhood Deafness & Hearing Loss								
Lloyd Auditorium Emergency Repairs	2,500	0	2,500	0	2,500	0	2,500	0

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Washington State Historical Society									
Statewide - Washington Heritage Project Grants	0	-65	0	-65	0	-65	0	-65	-65
Vancouver National Historic Reserve Visitors Center	750	0	750	0	750	0	750	0	750
Vancouver National Historic Reserve West Barracks	1,000	0	1,000	0	1,000	0	1,000	0	1,000
Washington Heritage Grants	0	-50	0	-50	0	-50	0	-50	-50
Washington Heritage Project Capital Grants	-575	0	-575	0	-575	0	-575	0	-575
Washington Heritage Projects	0	-33	0	-33	0	-33	0	-33	-33
Total	1,175	-148	1,175	-148	1,027	-148	1,175	-148	1,027
Total K-12 and Other Education	91,255	-3,148	88,107	-3,148	88,107	-3,148	32,252	-3,148	29,104
TOTAL APPROPRIATIONS	-5,257	-70,718	-75,975	-61,510	291,874	-61,510	230,364		

ALLOTMENT REDUCTIONS

Office of Financial Management

Reduce Allotments or Withhold Allotment Approval

-42,291

* Alternative finance projects.

2009

2011



Washington State House of Representatives
Office of Program Research