



Washington State Capital Budget

2025 Briefing Book

Office of Program Research
December 2024

2025 Capital Budget Briefing Book

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Budget Overview



*Bates Technical College grand opening of the Center for Allied Health Education in Tacoma, April 20, 2022.
(Photo Credit: Legislative Support Services)*

Washington's Three Budgets

Washington typically adopts three budgets on a biennial budget cycle. The Legislature authorizes expenditures for operating, capital, and transportation purposes for a two-year period, and authorizes bond sales through passage of a bond bill associated with the capital budget. The capital budget for the 2023-25 biennium covers the period from July 1, 2023, through June 30, 2025. Typically, the primary two-year budget is enacted in the odd-numbered years, and a supplemental budget, making adjustments to the two-year budget, is often enacted during the even-numbered years.

Operating Budget: The House committee primarily responsible for the operating budget is the Appropriations Committee. The operating budget includes appropriations for the general day-to-day operating expenses of state agencies, colleges and universities, and public schools. Employee salaries and benefits, leases, goods and services, apportionment allocations to school districts, and public assistance payments are typical operating expenses. For the 2023-25 biennium, after changes made in the 2024 Supplemental Budget, total budgeted funding in the operating budget equals \$140.9 billion.

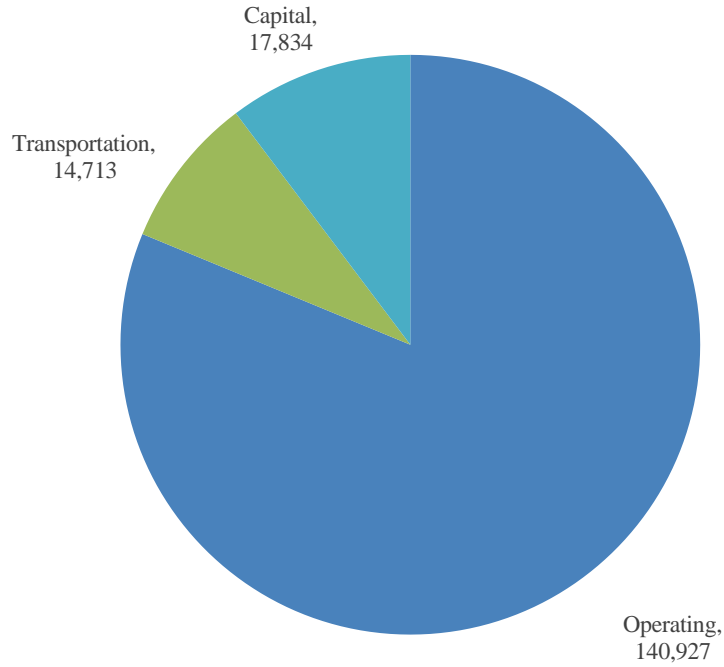
Transportation Budget: The House committee primarily responsible for the transportation budget is the Transportation Committee. The transportation budget includes appropriations for both the operating and the capital costs of highways, ferries, bridges, public airports, rail, as well as motor vehicle registration and enforcement. For the 2023-25 biennium, total budgeted funding in the transportation budget equals \$14.7 billion, including \$8.2 billion (56 percent) for capital costs and \$6.5 billion (44 percent) for operating costs.

Capital Budget: The House committee primarily responsible for the capital budget is the Capital Budget Committee. The capital budget includes appropriations for a broad range of construction and repair projects involving state office buildings; colleges and universities; prisons and juvenile rehabilitation facilities; parks and recreational facilities; kindergarten through grade 12 (K-12) schools; affordable housing for low-income persons and people with special needs; water quality, water supply, and flood risk reduction infrastructure; and other capital facilities and programs.

For the 2023-25 biennium, total budgeted funding in the capital budget equals \$10.3 billion, including \$4.8 billion from state general obligation bonds and \$5.5 billion from a variety of dedicated fees and taxes, federal funds, timber revenues, the building fee portion of student tuition payments, alternative financing funding, and nonappropriated accounts. Additionally, \$7.5 billion is reappropriated for uncompleted projects and grants approved in prior biennia. Taken together, there is a total of \$17.8 billion provided for capital budget purposes in the 2023-25 biennium.

The Three Washington Budgets, 2023-25

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024. Data reflects 2023-25 biennium after the 2024 Supplemental Budgets. For comparison purposes, the data includes total budgeted funds, which includes nonappropriated accounts. The transportation and capital budgets include reappropriations and new appropriations.

Budget Process

Agency budget requests are prepared during the summer and submitted to the Governor's Office of Financial Management (OFM). The OFM evaluates these budget requests during the fall and makes recommendations to the Governor. The Governor publishes their proposed budgets in December and submits them to the Legislature in January as executive request bills. The Legislature then holds hearings, drafts its own budget proposals in bill form, passes the budgets, and sends them to the Governor for action.

Major Applicable State Constitutional Provisions

The State Constitution

The Washington Constitution (Constitution) contains many restrictions on legislation and the process of legislating. Some of these restrictions are mainly procedural—in other words, they affect *how* the Legislature enacts the laws rather than *what* types of laws the Legislature may enact. For the Capital Budget Committee, these procedural requirements generally affect what may be included in the capital budget bill and what types of conditions may be placed on appropriations for capital projects.

Other constitutional restrictions are substantive—they prohibit the Legislature from enacting certain types of legislation. The substantive restrictions most frequently discussed in the context of the capital budget are the debt limit and the prohibition on lending of credit.

The Title/Subject Rule (Procedural)

Article II, section 19 of the Constitution requires that a bill contain only one subject and that this subject be expressed in the bill's title. The first part of the test requires a rational unity among the subparts of a bill; the second part requires that the bill's subject matter be expressed in its title. The purposes of the title/subject rule is to prevent "logrolling" and to inform legislators and the public of the subject matter of pending legislation. Because budget bills have broad titles and subjects, courts traditionally have given the Legislature a significant amount of latitude in this area, generally allowing any subject reasonably germane to the appropriations to be included in the bill. The courts have ruled, however, that this constitutional provision also prevents the Legislature from making "substantive law" in budget bills. The courts typically consider three nonexclusive criteria when determining whether a budget provision is substantive law: (1) whether it affects rights or liabilities; (2) whether it has been included in other proposed legislation; and (3) whether it appears to outlast the biennium covered by the budget.

Appropriation Requirement (Procedural)

Article VIII, section 4 of the Constitution establishes the Legislature's authority over the budget process. This section has three main provisions. First, before state agencies may spend money from accounts in the State Treasury, they must receive an appropriation in law. In other words, appropriations must be made in bills that pass both chambers and are approved by the Governor. Second, appropriations are temporary in nature. They may be made only for the two-year budget cycle, and they expire at the end of that cycle. Third, all appropriations must specify an amount, an account, a purpose, and a fiscal period.

Because the process of planning and building a capital project may take place over more than one biennium, the capital budget bill typically contains reappropriations. Reappropriations are reauthorizations to incur expenditures that were initially authorized in a prior biennium's capital budget bill.

In some cases, agencies may make expenditures of nontax revenues without an appropriation. There are two processes that allow for expenditures without an appropriation. First, some accounts are nonappropriated and in the custody of the State Treasurer rather than the State Treasury. Revenues to these accounts typically consist of fees paid by users or license holders, or revolving charges paid by other agencies. These accounts do not require a legislative appropriation if the Legislature establishes the account in that manner. Second, a statutory "unanticipated receipts" process permits expenditure of some nonstate moneys without an appropriation if the moneys were not anticipated in the budget. Under this process, legislative fiscal committee leadership receives notice and an opportunity to comment on proposed expenditures of such moneys.

Governor's Item Veto Powers (Procedural)

Article III, section 12 of the Constitution establishes the Governor's veto power. Generally, for policy bills, the Governor may veto only entire sections of the bill—the Governor may not veto words, sentences, or subsections. In budget bills, however, the Governor may veto appropriation "items." Items include dollar appropriations and provisos that condition or limit appropriations. In general, the Governor must veto entire "items" and may not veto less than an entire proviso or subsection. If the Governor vetoes a proviso that directs funds within a lump sum appropriation, the veto results in a reduction of the overall appropriations.

Court decisions about the item veto power are most commonly based on the operating budget, which is generally structured in a lump sum appropriation format. In contrast, the capital budget is generally structured as item appropriations for particular projects. Although there is little caselaw involving proposed vetoes of provisions of the capital budget, recent caselaw involving proposed vetoes of provisions of the transportation budget suggest that legal principles based on operating budget line item vetoes would be likely to apply to the capital budget.

Prohibition on Lending of Credit/Gifts of Public Funds (Substantive)

Article VIII, sections 5 and 7, along with Article XII, section 9 of the Constitution, are often collectively referred to as the prohibition on "lending of credit." These restrictions generally prohibit the state and local governments from: (1) making gifts of public moneys to private individuals or corporations; (2) investing in private corporations (subject to specified exceptions); or (3) otherwise lending public credit to private individuals or corporations. The lending of credit prohibitions applies equally to for-profit and nonprofit entities. In addition, Article VII, section 1 of the Constitution requires that tax revenues be spent only for public purposes. These restrictions arose from statehood-era concerns about public subsidies and loans to speculative private ventures—risks that placed public funds in jeopardy and left taxpayers holding worthless stock or liable for inadequately secured debts.

Court decisions interpreting these provisions have established several criteria to determine whether state actions are lawful under the prohibition on lending of credit. First, governments may provide assistance to the poor or infirm, or to entities whose purposes are wholly public, such as local governments. Second, governments may use public moneys for fundamental purposes of government, even if these actions result in private benefit. Third, if public moneys are otherwise provided to a private individual or corporation, the expenditure may not be a gift or guarantee, and it must have adequate consideration—that is, legally sufficient compensation to the public in exchange for the benefit received. In addition, courts ask whether the private benefit is incidental to the larger public benefit, and whether public moneys have otherwise been placed at risk.

Legislative acts, including appropriations in budget bills, are presumed to be constitutional by the courts. Expenditures are more likely to withstand a lending of credit challenge if they have a clear public purpose, address specific needs, use a reasonable fiscal and policy approach, and contain safeguards to ensure the public purpose is accomplished and public assets and expenditures are protected.

Special Legislation (Substantive)

Article I, section 12 and Article II, section 28 of the Constitution prohibit the Legislature from granting special privileges or immunities and from enacting "special laws"—that is, laws operating on only one individual, private corporation, or municipal corporation. To avoid violating these restrictions, a law must operate on categories or classes rather than specific individuals or entities. A class may consist of one person or corporation, so long as the law applies equally to all members of that class and the law's exclusions are rationally related to the purpose of the statute.

Debt Limit (Substantive)

Article VIII, section 1 of the Constitution establishes a state debt limit. The State Treasurer may not issue any bonds that would cause the debt service (principal and interest payments) on any new and existing bonds to exceed this limit.

The state debt limit is defined as a percentage of the general state revenues (GSR). The GSR consists of all unrestricted state revenues and is generally coextensive with the State General Fund. Under a constitutional amendment approved by the voters in 2012, the state debt limit has been reduced and is currently 8.25 percent of the average of the prior six year's GSR. Beginning July 1, 2034, the limit is reduced to 8 percent. Also, because of the constitutional amendment, the definition of GSR now includes state property taxes that are deposited in the State General Fund.

Under Article VIII, section 1 of the Constitution, debt is subject to the constitutional limit if it is either backed by the full faith and credit of the state or is payable from GSR. Debt that is governed by Article VIII, section 1 of the Constitution requires a three-fifths vote of each chamber for approval. Article VIII, section 1 of the Constitution specifies exceptions to this debt limit, including bonds backed by specified highway and school revenues. Under a court decision, alternative financing arrangements such as Certificates of Participation generally do not constitute "debt" subject to the limit.

Capital Budget Basics



*Wenatchee High School
(Photo Credit: Legislative Support Services)*

Capital Budget Projects, Phases, and Standards

Capital Budget Projects

The capital budget appropriates money for the construction and repair of the following:

- public kindergarten through 12th grade school buildings;
- community college and university buildings;
- prison facilities and juvenile rehabilitation facilities;
- behavioral health facilities;
- state office buildings;
- parks and recreation facilities;
- low-income housing;
- state and local museums and cultural facilities;
- local government infrastructure improvements, including water and sewer systems;
- toxic waste cleanup sites; and
- wildlife habitat conservation and restoration projects.

The capital budget also appropriates money for state land acquisition, water supply enhancement, storm water improvement, and floodplain management and control projects, as well as for many other purposes.

Typically, capital projects funded by the capital budget have a useful life of more than 13 years and require the involvement of an architect and/or engineer. Such projects may include:

- acquisition of land and buildings;
- construction of new buildings;
- major repairs, reconstruction, and additions to an existing building;
- utility, landscaping, and infrastructure work;
- equipment that is necessary for the operation of a particular facility if the equipment is part of a construction or reconstruction project (excluding commodities, replacement parts, cars and trucks, or maintenance supplies);
- architectural planning and design, and engineering studies for a specific capital project; and
- administrative costs directly related to the capital project.

Gray areas between the capital and the operating budgets include the costs of:

- building repairs and building maintenance;
- long-range development plans and feasibility studies;
- project administration;
- equipment purchases for new facilities; and
- employees.

The degree of gray between the budgets often depends on the fund source. The Office of Financial Management (OFM) and the Legislature are traditionally stricter with the use of state bonds than with other funding sources.

Phases of a Capital Project

Phases of a Capital Project	Who Performs the Work
Land Acquisition	Department of Enterprise Services, agency staff, or consultants for large projects.
Predesign	Agency staff or consultants with active participation of agency staff for large projects.
Design and Engineering	Private architectural and engineering firms (agency staff may work on small projects).
Construction	Private contractors (small projects below certain cost thresholds may be completed by agency staff).

A capital project sometimes takes six or more years to complete; typically, a predesign is completed in one biennium, the design is approved in the next biennium, and construction is initiated in the third biennium.

Predesign: A predesign is a decision-making tool that is required by statute for all capital projects that exceed \$10 million. The Legislature and OFM may also require a predesign for certain projects valued at under \$10 million if the project is considered high risk, time sensitive, or meets other criteria. The purpose of the predesign is to clearly identify the facility need or problem to be addressed and provide a thoughtful analysis of the options to meet the need or solve the problem. This will assist decision makers in determining whether the project should proceed to design and construction. The predesign process includes data collection, analysis, program development, budget development, and evaluation through which all the elements of a preliminary design or planning solution are explored. A predesign also provides cost estimates and helps ensure that the completed project follows legislative intent. The predesign often is prepared by architectural consultants and usually includes a detailed space plan. On a case-by-case basis, OFM may make exceptions to predesign requirements.

Design and Engineering: The design and engineering phase takes place after the predesign is approved. The design is completed by a consulting firm specializing in the type of project proposed for construction. For example, the Department of Corrections may contract with a

consultant with experience designing a prison complex. The design phase provides the drawings and specifications to construct the building, and a final cost estimate. Design typically takes 6-12 months depending on the complexity of the project.

Construction: After the design is completed and the construction phase of the project is authorized, the project is advertised for bidding. Private contractors will bid on the project, and for projects other than alternative public works projects, the lowest responsive bidder is awarded the contract. The construction contract is between the state agency and the contractor. The agency must have the contract amount and a contingency in their appropriation to award the contract. Construction of a building can take 12-24 months depending on the size of the project. An office building may take approximately 12 months for construction, whereas a prison complex may take 24 months.

Minor Works Appropriations

Minor works appropriations are lump sum appropriations to cover small projects costing less than \$1.5 million (or under \$2 million for higher education institutions). Minor works appropriations fall into four categories: (1) health, safety, and code requirements; (2) facility preservation; (3) infrastructure preservation; and (4) program improvement. These projects are intended to improve existing facilities or related infrastructure. The agency must file minor works lists with OFM and cannot expend or obligate funds until OFM has approved the lists. Minor works appropriations are not to be used for studies unless specifically authorized in the capital budget.

Leadership in Energy and Environmental Design (LEED) Certification

Pursuant to chapter 39.35D RCW, all major facility projects funded in the capital budget, or projects financed through a financing contract are required by statute to be designed, constructed, and certified to at least the LEED silver standard, to the extent appropriate LEED silver standards exist for a project type. This requirement applies to any public agency, including public school districts, although school districts may alternatively use the Washington Sustainable Schools Protocol. Affordable housing projects funded in the capital budget must comply with the Evergreen Sustainable Development Standard adopted by the Department of Commerce in accordance with RCW 43.185D.030.

Clean Buildings Performance Standards

In the past three biennia, the Legislature has enacted a series of laws related to lowering the energy use intensity and greenhouse gas emissions of certain covered commercial, residential, and public buildings. Under the general Clean Buildings Performance Standard (CBPS) in RCW 19.27A.210, each covered building must meet specific energy use intensity levels by various deadlines. Alternatively, under the Campus District Energy System pathway, a campus of buildings served by a district heating, cooling, water reuse, or power system can develop a plan to come into compliance with the CBPS as a campus

rather than by individual building. Entities using this CBPS compliance pathway must submit their campus district energy plans to the Department of Commerce for review and approval by June 2025.

Under the general CBPS, the compliance deadlines are as follows:

Tier 1 Covered Buildings Compliance Schedule:

- **June 1, 2026** – More than 220,000 sq. ft.
- **June 1, 2027** – More than 90,000 sq. ft. but less than 220,001 sq. ft.
- **June 1, 2028** – More than 50,000 sq. ft. but less than 90,001 sq. ft.

Tier 2 Covered Buildings Reporting Schedule:

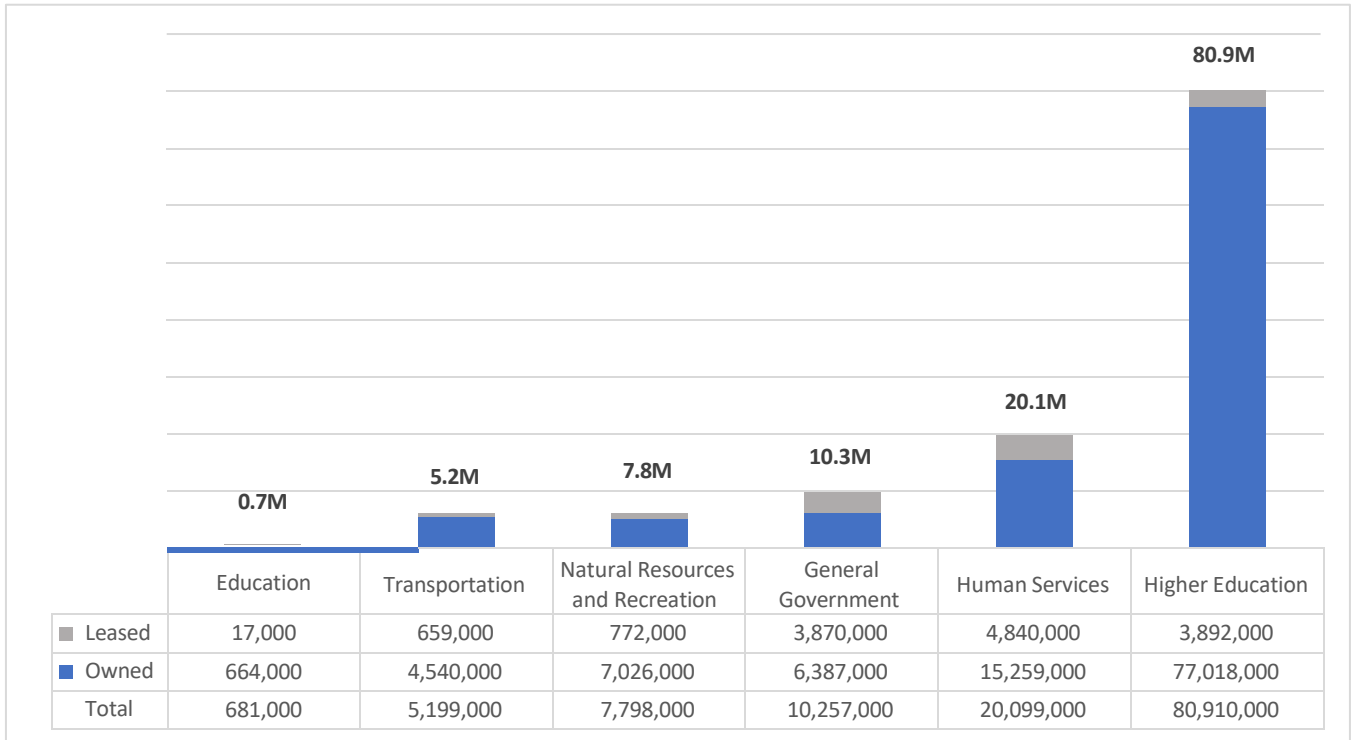
- **July 1, 2027** – More than 20,000 sq. ft. but less than 50,001 sq. ft. and all multifamily residential buildings more than 20,000 sq. ft.

State-Owned and Leased Facilities

Inventory of State-Owned and Leased Facilities

As of June 30, 2024, the statewide inventory included 11,396 state-owned and leased facilities, totaling more than 124.9 million square feet. A facility is defined as a building or a structure with at least one wall, a roof, and a permanent foundation, regardless of occupancy. Based on square footage, 88.8 percent of the state’s facilities inventory is owned (10,265 facilities, 110.9 million square feet), while the remaining 11.2 percent is leased (1,131 facilities, 14.0 million square feet).

Owned and Leased Square Feet by Functional Area



Source: Office of Financial Management, 2024 owned and leased facilities inventory data.

State Agency Facility Oversight

The OFM’s Facilities Oversight Program oversees real estate procurement and management by providing analysis, long-term planning, policy development, and state facility portfolio management.

Facility Oversight responsibilities include:

- developing and submitting a six-year facilities plan to the Legislature and Governor in January of each odd-numbered year with the assistance of the Department of Enterprise Services (DES);
- establishing and implementing a modified predesign process and tools for agency requests to acquire new space or to relocate state facilities;
- gathering and reporting the state’s facilities inventory;
- establishing, deploying, and maintaining the state’s life-cycle cost model for assessing buildings;
- conducting analysis and making recommendations to the OFM Director on lease approvals; and
- consulting with DES on purchases, leases, lease purchases, rent, or other acquisitions of real estate.

State-Owned Facilities

The capital budget includes costs associated with the acquisition, construction, rehabilitation, and major repairs of state-owned facilities. Normal maintenance costs of state-owned facilities are funded in the operating budget.

Leased Facilities

State agencies may lease space in a publicly-owned or a privately-owned facility. The costs associated with leasing (rent, repairs, and other operating expenses) are included in the operating budget.

The Capital Budget Bill and the Bond Bill

The Capital Budget Bill

As explained in the Budget Overview section, the Washington Constitution (Constitution) requires an appropriation in legislation before money from funds and accounts in the State Treasury may be expended. For this reason, capital expenditures must be authorized in bill form.

Major elements of appropriations in the capital budget bill include:

- the agency to which the appropriation is made;
- the title and purpose of the appropriation;
- the fund source and amount of the appropriation;
- the time period of the appropriation;
- conditions or limitations on the appropriation; and
- reappropriations, if any.

In addition to appropriations for capital projects, the capital budget bill may also contain authorizations for alternative financing arrangements, as well as other provisions closely related to capital appropriations and projects, such as studies and reports.

Sample Capital Budget Appropriation/Reappropriation Section

NEW SECTION. **Sec. 5180. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Green River Community College - Trades and Industry Building
(20081222)

Reappropriation:

State Building Construction Account--State \$11,000

Appropriation:

State Building Construction Account--State \$2,625,000

Prior Biennia (Expenditures) \$127,000

Future Biennia (Projected Costs) \$28,737,000

TOTAL \$31,500,000

Size of the Capital Budget

The size of the capital budget is guided by the availability of bond capacity and by moneys available from dedicated accounts, trust revenues, and other funding sources.

Bond Debt Limit: As explained in the Budget Overview Section, the amount of state bonds that can be issued in any year is limited by a constitutional debt limit. As a result of a constitutional amendment approved by voters in 2012, the debt limit restricts the state's maximum annual debt service to not more than 8.25 percent of the average of the prior six years' general state revenues (GSR), defined as all unrestricted state tax revenues. The limit was reduced from 8.5 percent to 8.25 percent beginning on July 1, 2016, and will be reduced to 8.0 percent beginning July 1, 2034. As an additional result of the 2012 constitutional amendment, the definition of GSR was expanded to include property taxes deposited into the State General Fund.

Bond Debt Model: A model administered by the State Treasurer's Office is used to calculate the available bond capacity for the current budgeting period and for future biennial planning purposes. The model calculates the actual debt service on outstanding bonds and estimates future debt service based on certain assumptions. These assumptions include revenue growth, interest rates, rate of repayment, rate of bond issuance, and other factors.

The two primary considerations regarding bond capacity for any given year or biennium are: (1) maintaining the debt service, including the new bonds, below the debt limit in the future; and (2) maintaining a consistent bond capacity over time so that all the capacity is not used in one biennium, resulting in little capacity being available in future biennia. Typically, the Legislature and the Governor, in consultation with the State Treasurer, agree on the assumptions and bond capacity for the biennium so that decision makers can focus on policy and projects and not on bond capacity. Regardless of legislative authorization, the State Treasurer cannot issue bonds that would result in debt service exceeding the constitutional debt limit.

The Bond Bill

The majority of appropriations in the capital budget bill are supported by the proceeds from the sale of state general obligation bonds. For this reason, the capital budget has a limited effect if there is no bond bill to finance its appropriations. The bond bill authorizes the State Finance Committee to issue general obligation bonds to finance many of the projects authorized in the state capital budget. Under the Constitution, legislation authorizing the issuance of general obligation bonds requires a 60 percent supermajority vote in both chambers of the Legislature.

Major elements of the bond bill include the:

- purpose of bonds;
- authorization for the State Finance Committee to issue bonds;

- amount of bonds to be issued;
- the requirement for legislative appropriation of bond proceeds; and
- identification of security for payment of bonds.

These identifications of security for payment include:

- pledging full faith and credit of the state to pay the obligation (for general obligation bonds);
- identifying sources of payment;
- creating a special fund for payment of bonds; and
- directing the State Treasurer to make payment into the special fund on specific dates.

The Role of the State Finance Committee

The State Finance Committee is composed of the Governor, the Lieutenant Governor, and the State Treasurer. The committee's responsibilities include the following:

- planning and structuring bond sales;
- applying for a rating from bond rating agencies;
- preparing an "Official Statement" for each bond sale;
- offering state bonds for sale in the bond market;
- managing disclosure and reporting obligations required by federal regulatory agencies; and
- making principal and interest payments to bondholders.

State bonds are normally sold two to four times each year depending on the state's capital budget cash flow needs.

Washington's Bond Rating

Fitch Ratings, Moody's Investors Service, and S&P Global Ratings are the three credit rating agencies that evaluate the state's general obligation bonds. In addition to rating government bonds, these agencies provide a range of analytical services to financial markets throughout the world. These services include rating securities issued by a variety of corporate, municipal, and sovereign entities; providing financial research and risk analysis; and publishing reports on a variety of financial topics.

The three rating agencies assess Washington's bonds using each firm's standardized state rating methodology, or criteria, which they use for all states in the United States. Factors considered by the rating agencies include criteria such as a state's economy, governance, finances, financial reserves, and debt. The rating is intended to be an indication of the rating analyst's view of the repayment risk and the delinquency risk for the security. Although it is not the only consideration, the ratings assigned to a security will have an impact on the interest rate that investors will require in order to buy the bonds. Typically, the better the rating, the better (lower) the interest rate.

It is important to remember that several factors influence the interest rate the state must pay on the bonds it issues. While the rating is one factor, other factors such as tax status, bond structure, market

conditions, and economic outlook can also impact the interest rate of a particular sale. Nonetheless, a rating downgrade or a negative outlook by one or more of these rating companies would likely cause investors to demand a higher interest rate on the bonds than they would otherwise.

In addition to their impact upon the state’s debt service costs, the state’s credit ratings also have an impact upon the interest rates paid by local entities that finance projects through the Lease Purchase Program or that issue bonds that are guaranteed by the School Guarantee Program.

Each of the rating agencies use a similar alphabetical rating system, with AAA or Aaa being best, then AA or Aa, followed by A, BBB or Baa, BB or Ba, and so on. Each rating agency has a further modifier for all but the top rating (AAA). The agencies also assign outlooks (positive, stable, or negative), which indicate the direction that they expect the rating to go in the near term. Washington’s general obligation bonds ratings are as follows:

Moody’s Investors Service	S&P Global Ratings	Fitch Ratings
Aaa (Highest rating)	AA+ (2nd highest rating)	AA+ (2nd highest rating)

Source: Office of the State Treasurer as of June, 2024.

In 2019, Moody’s Investors Service upgraded the state’s General Obligation rating to Aaa, the highest rating available. This was the first time Washington received Aaa from any rating agency. S&P and Fitch rate the State AA+, the second highest rating.

The rating agencies generally indicate the reasons for Washington’s strong bond ratings, which include its robust financial and debt policies, institutionalized conservative budget controls, frequent review of economic and financial forecasts, and strong economic growth trends.

Among the reasons S&P and Fitch cite for their ratings not being higher are above-average state debt levels and a degree of fiscal uncertainty associated with voter initiatives. S&P and Fitch also describe factors that could lead to an upgrade such as maintaining reserves, moderating debt levels, and effective management of budgetary pressures on the general fund. In contrast, the factors rating agencies describe that could lead to a downgrade include sustained economic or demographic weakening, protracted structural budget imbalance, reliance on one-time budget solutions, or deterioration of the state’s cash position.

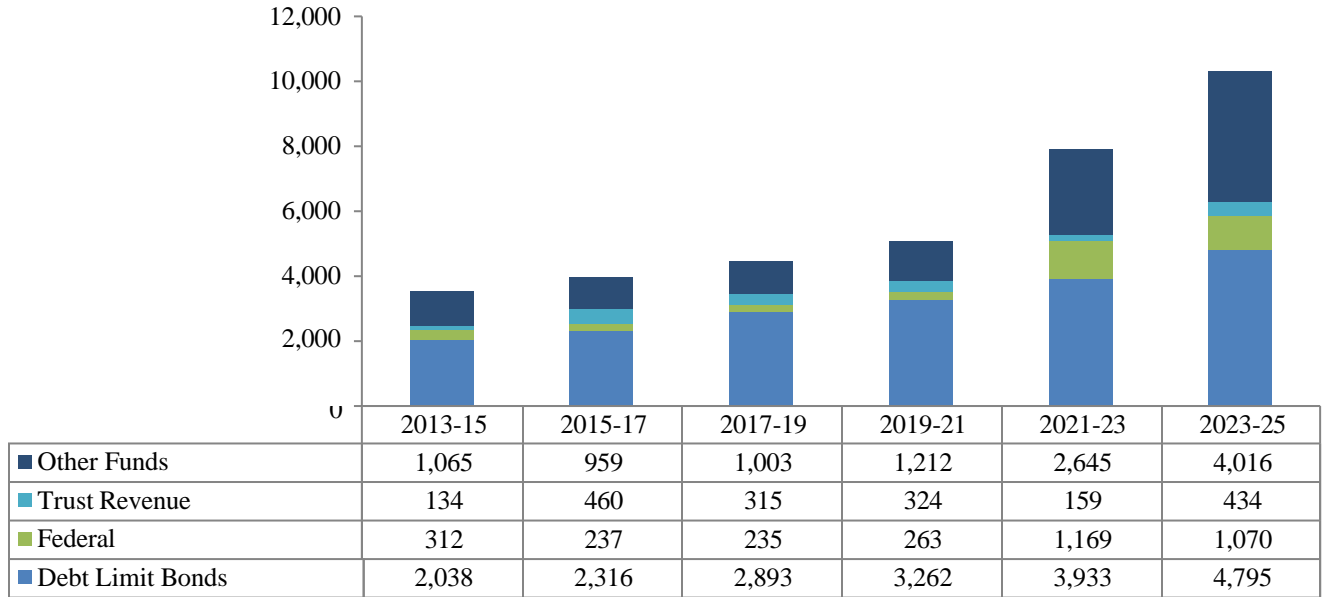
Capital Budget Funding Sources



*Big Heart Lake, Alpine Lakes Wilderness – near Skykomish, 2015.
(Photo Credit: Legislative Support Services)*

History of Capital Budget by Fund Source

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee (LEAP) and Office of Program Research, December 2024.

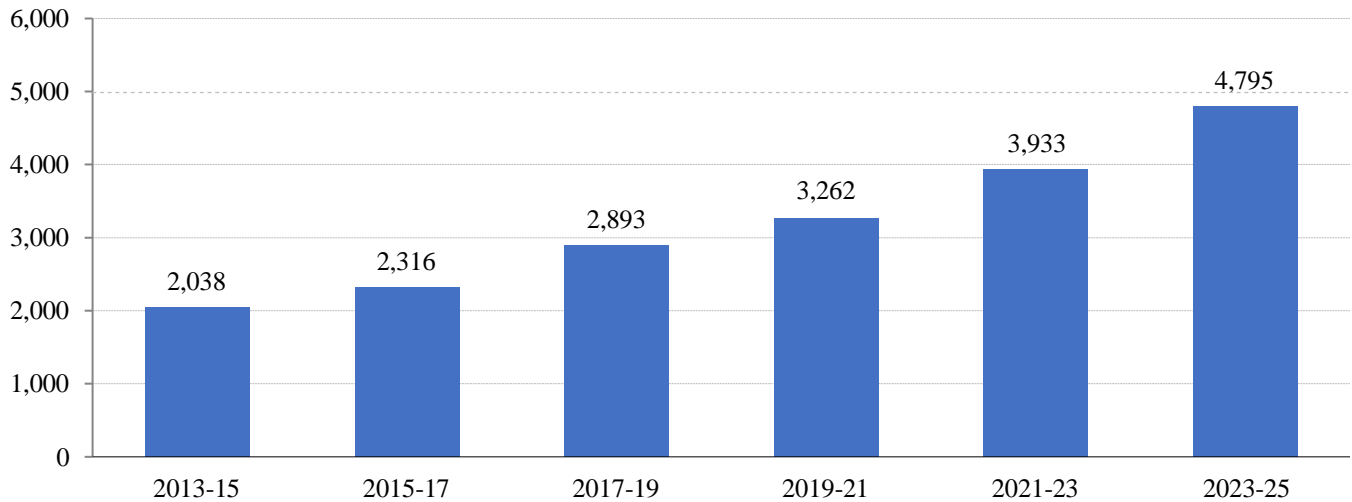
Note: All historical charts provided by the LEAP are based on total appropriated funds for new appropriations, including adjustments made in supplemental budgets. The data excludes reappropriations, alternatively financed projects, and nonappropriated accounts, except that the Watershed Restoration and Enhancement Account is included. In addition, authority adjustments made in subsequent biennium for reappropriated projects are applied to the biennium that they were originally funded.

General Obligation Bonds

Bonds are "general obligations of the state" when the full faith, credit, and taxing power of the state is pledged *irrevocably* to the payment of debt service on the bonds. The ability of the state to make this pledge is provided in the Washington Constitution. These general obligation bonds have the strongest security pledge the state can make and they carry the highest credit ratings of all the state's obligations. Accordingly, borrowing costs on general obligation bonds are lower than costs for other types of state obligations.

State Bonds Subject to the Debt Limit Historical Capital Budget

(Dollars in Millions)

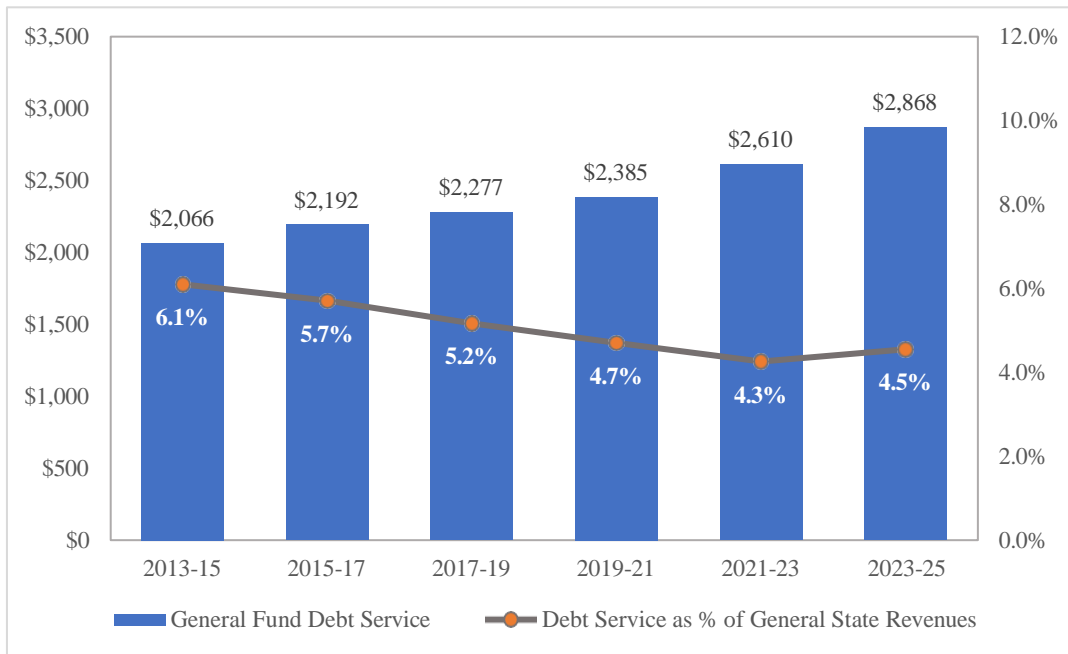


Source: Legislative Evaluation and Accountability Program Committee, December 2024

Funding to pay for principal and interest on the bonds is appropriated from the State General Fund in the operating budget. When debt service payments are due, the State Treasurer withdraws the amounts necessary to make the payments from the State General Fund and deposits them into bond retirement funds. State General Fund debt service payments in the 2023-25 biennium are projected to be \$2.9 billion.

General Fund Debt Service as a Percent of General State Revenues

(Dollars in Millions)



Note: The 2023-25 percentage reflects the November 2024 ERF forecast of General State Revenues. The 2023-25 debt service value is based on the Office of the State Treasurer's November 2024 projection.

Trust Revenues

Upon statehood, the federal government granted certain lands to the state to be held in trust for several specified purposes. Beneficiaries of these trust lands include the kindergarten through grade 12 common schools; public higher education institutions; the capitol buildings and grounds; and charitable, educational, penal, and reform institutions. These lands are overseen by the Board of Natural Resources and administered by the Department of Natural Resources (DNR).

The DNR manages about three million acres for state trust beneficiaries, of which approximately 617,900 acres are state forest lands, beneficiaries of which include counties and their taxing districts. State trust lands generate timber, mineral, and lease revenue, which is appropriated through the capital budget.

Trust Land Endowment

(By Trust)

Trust	2024 Acreage	Percent of Total
Common School	1,779,999	59.9%
State Forest Lands (formerly called Forest Board Lands)	619,897	20.9%
Washington State University (Agriculture and Scientific Trusts)	155,400	5.2%
State Capitol Building	109,489	3.7%
University of Washington	89,046	3.0%
Charitable, Educational, Penal, and Reformatory Institutions	71,444	2.4%
Normal School (Central WA University, Western WA University, The Evergreen State College, Eastern WA University)	66,800	2.2%
Community Forest Trust	52,212	1.8%
King County Water Pollution Control Division	5,988	0.2%
Community & Technical Colleges (since 1990)	1,168	<0.1%
Escheat (revenues benefit the Common School Trust)	8,096	0.3%
Land Bank (revenues benefit Common School Trust while in Land Bank)	9,732	0.3%
TOTAL	2,969,271	

Source: Department of Natural Resources, October 2024.

The DNR manages another 2.6 million acres under beds of navigable waters, tidelands, shorelands, and harbor areas that generate revenue for the Aquatic Lands Enhancement Account, the Resource Management Cost Account, and the Aquatic Lands Dredged Material Disposal Site Account. The DNR also manages nontrust lands of more than 39,000 acres of Natural Area Preserved lands and more than 125,000 acres of Natural Resources Conservation Area lands.

Federal Funds

The capital budget includes appropriations for federal funding received by state agencies to improve facilities, infrastructure, or natural resources; examples include the:

- Military Department's readiness centers;
- Department of Veterans Affairs' veterans homes;
- Clean Water and Drinking Water State Revolving Funds managed by the Department of Ecology and the Department of Health; and
- Salmon Recovery Funding Board grants administered through the Recreation and Conservation Office.

Other Funds

Funds generated from a variety of state fees, taxes, and legal settlements are appropriated from dedicated state accounts in the capital budget. Examples of dedicated state accounts include the:

- Model Toxic Control Accounts;
- Climate Commitment Act Accounts;
- Capital Construction Accounts for Public Higher Education Institutions;
- Non-Highway and Off-Road Vehicle Activities Account;
- Public Facility Construction Loan Revolving Account;
- Public Works Assistance Account;
- Recreation Resources Account;
- Thurston County Capital Facilities Account;
- Underground Storage Tank Revolving Account; and
- Water Pollution Control Revolving Account.

Given their size and complexity, additional information is provided in the following subsections regarding the Model Toxics Control accounts and the Climate Commitment Act accounts.

Model Toxics Control Act Accounts

The Hazardous Substance Tax (HST) is a significant dedicated revenue source used in the capital budget. The HST is assessed on the first possession of hazardous substances in Washington including petroleum products, certain pesticides, and certain chemicals. The HST is deposited into three Model Toxics Control Act (MTCA) accounts.

The three accounts include an operating-only account, a capital-only account, and a stormwater account that can be used for both operating and capital appropriations. The HST revenue is distributed among the accounts according to RCW 82.21.030 as follows:

- Each biennium, the first \$50 million goes to the Motor Vehicle Fund for use in the transportation budget for stormwater purposes. This distribution ends if a transportation revenue package of at least \$2 billion per biennium is passed.
- Remaining HST revenue is distributed to three accounts as follows:
 - 60 percent to the MTCA Operating Account;
 - 25 percent to the MTCA Capital Account; and
 - 15 percent to the MTCA Stormwater Account.

The MTCA was established by voters with the approval of Initiative 97 in 1988 with a purpose "to raise sufficient funds to clean up all hazardous waste sites and to prevent the creation of future hazards due to improper disposal of toxic wastes into the state's land and waters."

Climate Commitment Act: Cap and Invest Program

The Climate Commitment Act (CCA), enacted in 2021, created a new regulatory program for reducing greenhouse gas emissions in Washington and is codified in Chapter 70A.65 RCW. Beginning in 2023, the Department of Ecology implemented a cap and invest program to generate new revenue through sales of emissions allowances at auctions. The revenue resulting from the sale of state-owned allowances is distributed to several state accounts for a variety of purposes. In the 2023-25 biennium, the capital budget appropriated revenue (\$1.4 billion) collected under the Climate Commitment Act's Cap and Invest Program for the first time.

A significant portion of the revenue from the Cap and Invest Program is distributed to accounts dedicated to certain transportation purposes. Examples of other accounts and uses that may be allocated in capital budgets include:

- **The Air Quality and Health Disparities Improvement Account (AQHDIA)**, which is specified for use in the capital or transportation budgets to improve air quality and reduce health disparities in overburdened communities as described in RCW 70A.65.280. The AQHDIA may receive transfers directly from auction proceeds, however the CCA does not specify an amount going into the AQHDIA. Any unspecified amounts default to another account (the Climate Investment Account), therefore legislative action will be necessary to add funds to the AQHDIA. The AQHDIA statute includes intent language that at least \$20 million per biennium be dedicated to this account.
- **The Natural Climate Solutions Account**, for clean water and healthy forest investments as described in RCW 70A.65.270. Investments from this account must result in long-term environmental benefits and increased resilience to the impacts of climate change.

- **The Climate Commitment Account**, for a variety of uses described in RCW 70A.65.260. Examples of possible capital budget funding uses include greenhouse gas mitigation in overburdened communities, renewable energy and grid modernization, industrial energy efficiency and greenhouse gas reduction, energy efficiency in buildings, efficiency and market transformation of appliances and heating equipment, landfill emissions reductions, and climate change mitigation for tribes. Investments from this account must result in long-term environmental benefits and increased resilience to the impacts of climate change.

Alternative Financing Contracts

Alternative financing generally refers to lease/purchase agreements (financing contracts), financed through Certificates of Participation (COPs) and 63-20 financings.

Financing contracts are a tool used by the state to finance real estate projects including new construction, facility improvements, and the acquisition of land or buildings; or to finance equipment such as vehicles, computer hardware, and office equipment.

Certificates of Participation (COP)

The Office of the State Treasurer manages the state's lease/purchase program for equipment and real estate, which is financed through the issuance of Certificates of Participation (COP).

Certificates of Participation are securities sold to investors, similarly to bonds, to facilitate lease/purchase agreements. In this type of financing, the state leases property to a designated entity (without transferring ownership), and then makes semiannual payments to lease the property back over the life of the financing. A third-party trustee (usually a bank) administers payments between the agency and COP holders. The term of each individual lease is set in relation to the useful life of the asset being financed. The individual leases are pooled with other leases and packaged together in the form of a larger COP transaction, which is sold to investors. Certificates of Participation are generally issued with a final maturity of up to 25 years for real estate projects and up to 10 years for equipment purchases. The state's COPs are rated Aa1 by Moody's Investor Service, one notch below the state's general obligation bonds.

63-20 Lease Revenue Bonds

On occasion, the state uses another financing mechanism known as a 63-20 financing (based on IRS Revenue Ruling 63-20). Under a 63-20 financing, a single-purpose nonprofit corporation issues tax exempt lease revenue bonds on behalf of the state and uses the proceeds to fund the design and construction of a facility. Once the project has been completed, the state leases the facility from the

nonprofit and the lease payments are pledged to the repayment of the bonds. The state does not take title to the property until the bonds have been repaid. Borrowing costs and legal fees on these financings can be somewhat higher than those on similarly structured COPs. Additionally, long-term maintenance costs and management expenses are contractually established for the life of the contract, with the state obligated to pay such expenses when due. The state has financed three facilities using 63-20 lease revenue bonds: the Edna Louis Goodrich building in Tumwater (2004), the 1500 Jefferson building in Olympia (2010), and a replacement nursing facility on the Fircrest Residential Habilitation Center campus in Shoreline (2024).

Financing Contract Background

Prior to 1989, state agencies purchased equipment and real estate independently through the use of bank loans, vendor contracts, and other financing sources. This activity was fragmented, and financial reporting and accountability did not exist. There was no legislative oversight of these financings, with some being executed at more expensive taxable interest rates.

In 1989, the Legislature enacted chapter 39.94 RCW, which provides specific authority for state agencies to enter into financing contracts for the acquisition of real and personal property. As detailed in chapter 39.94 RCW, the state may not enter into any financing contract for real property without prior approval of the Legislature. Typically, financing equipment does not require legislative approval. However, the Office of the State Treasurer, which administers the execution of financing contracts on behalf of the State Finance Committee, may require prior legislative approval for major equipment acquisitions. These financing contracts have the following controls:

- All real estate (land and buildings) acquired by agencies through alternative financing (lease/purchase contracts, COPs, and 63-20 financings) must be authorized by the Legislature.
- The State Finance Committee must approve all financing contracts, including the dollar amount and form of the contracts.
 - State university facilities such as dormitories and dining halls that operate from nonappropriated funding sources do not require legislative approval but must be reported to the State Finance Committee (RCW 28B.10.022).
- All capital financing contracts must include the acquisition of a tangible asset. In some cases, information technology projects can qualify for COP financing if they adhere to COP guidelines regarding tangible assets, security interests, and transferability of the IT system.
- The State Finance Committee can consolidate existing and new financing contracts into a master contract.

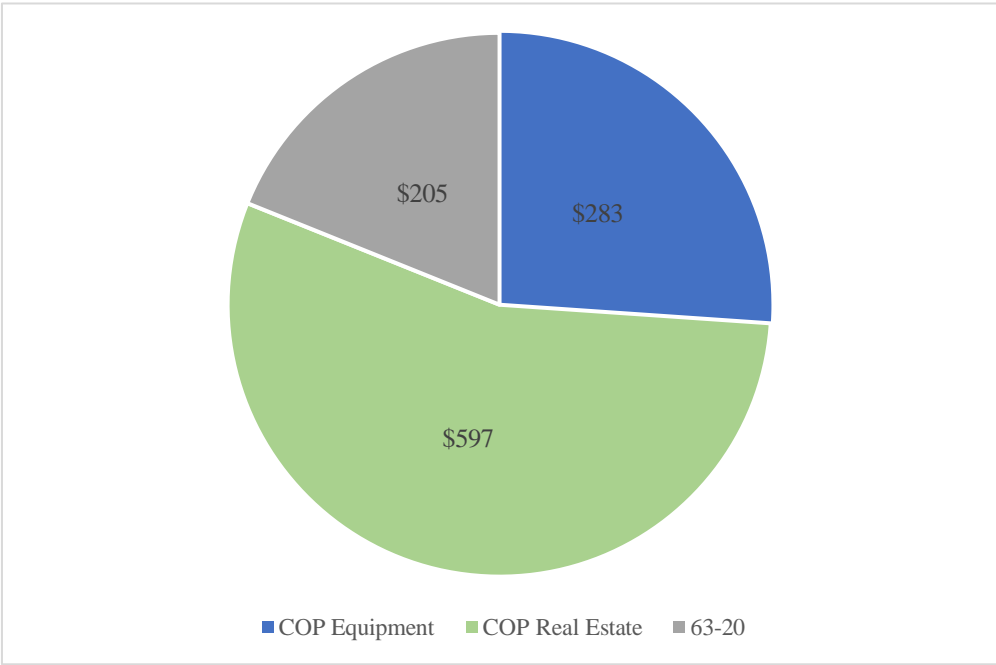
Financing Contracts vs. Bonds

There are four important distinctions between alternative financing contracts and bond-funded projects appropriated in the capital budget:

- The principal and interest of alternative financing contracts is paid from the related agency's operating budget. Bond debt service payments are paid from the state's operating budget.
- Financing contracts are not a general obligation of the state. Rather, payments are subject to the availability of funds within an agency's operating budget during any given time period.
- Financing contracts and their related principal and interest payments do not fall under the state's debt limit.
- Interest rates for financing contracts are generally higher than for general obligation bonds because the full faith and credit of the state is not pledged toward financing contract payments.

Total Principal Outstanding

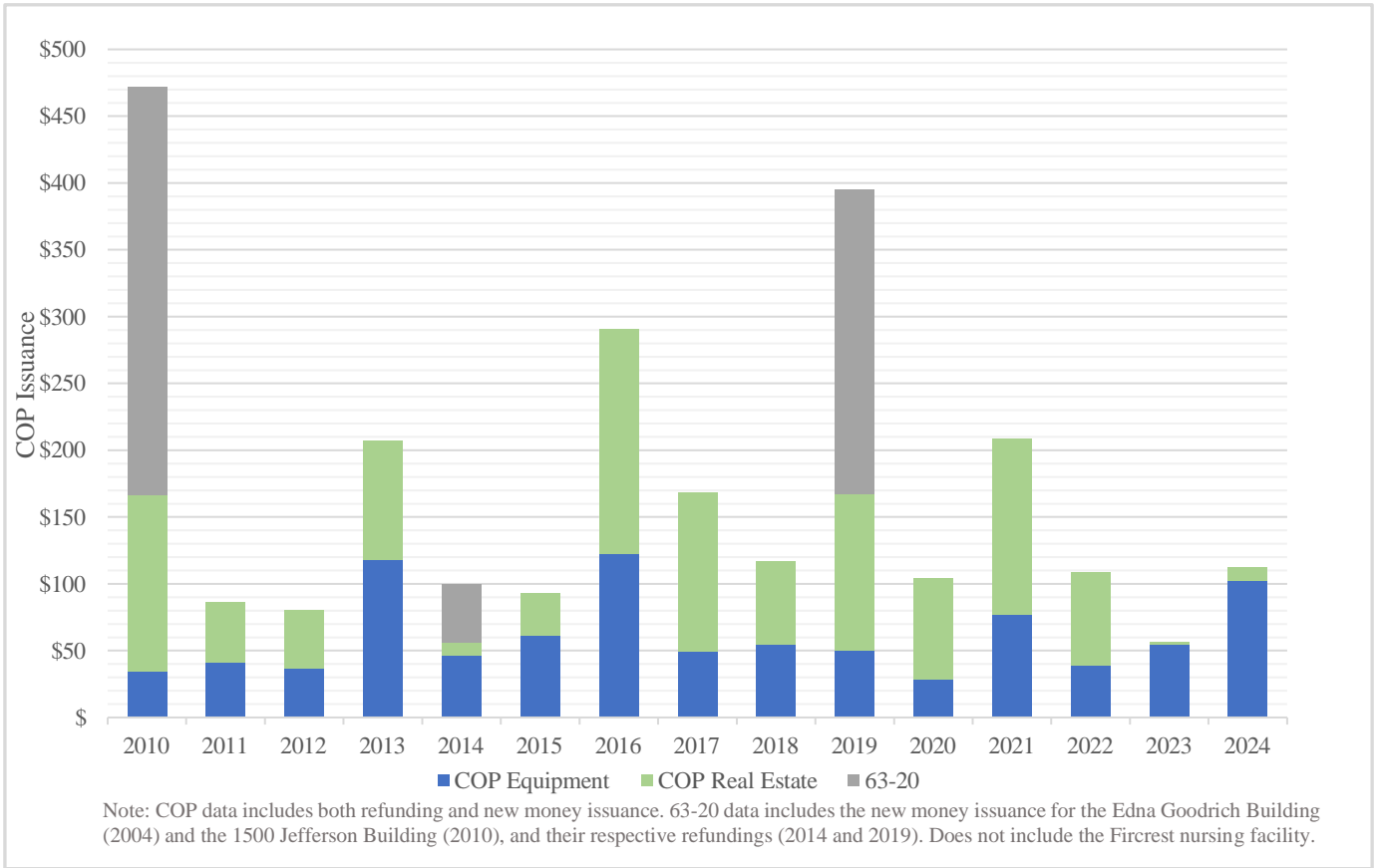
(Dollars in Millions)



Source: Office of the State Treasurer, October 2024.

Alternative Financing Contract Issuance History by Fiscal Year

(Dollars in Millions)



Source: Office of the State Treasurer, October 2024.

The Functional Areas of State Government

State agencies have traditionally been categorized into functional areas for budgeting purposes. While appropriations are made to specific agencies rather than to functional areas, functional areas provide a useful tool for understanding the allocation of state resources and analyzing trends. Functional areas in the capital budget include governmental operations, human services, natural resources, higher education, and education.

Governmental Operations

Governmental Operations includes general government agencies, agencies headed by elected officials, and agencies providing central services for the state. Governmental Operations agencies develop and manage a wide assortment of construction and repair projects ranging from state offices to arts and cultural facilities to local infrastructure. The agencies included in this functional area are the:

- Department of Commerce;
- Department of Enterprise Services;
- Office of Financial Management;
- Military Department;
- Washington State Patrol;
- Department of Archaeology and Historic Preservation; and
- Secretary of State.

The largest agency in this functional area is the Department of Commerce, which administers a number of competitive loan and grant programs related to local government infrastructure, economic development, community capital facilities, and affordable housing.

Human Services

Human Services includes those agencies charged with serving the health and safety needs of the state's population. Most capital projects related to Human Services involve construction and repair of state institutions such as mental health facilities, prisons, juvenile rehabilitation facilities, and veterans' homes. The agencies included in this functional area are the:

- Department of Social and Health Services;
- Department of Children, Youth, and Families;
- Department of Labor and Industries;
- Department of Health;
- Department of Veterans Affairs;
- Washington State Criminal Justice Training Commission; and
- Department of Corrections.

Natural Resources

Natural Resources includes those agencies responsible for protecting and enhancing environmental quality or resources, providing outdoor recreational opportunities, and managing state lands and waters for resource production. Examples of activities funded in the capital budget include forest roads repair, flood hazard risk reduction, recreational trail construction, water supply projects, and salmon recovery efforts. The agencies included in this functional area are the:

- Department of Ecology;
- Recreation and Conservation Office;
- State Parks and Recreation Commission;
- State Conservation Commission;
- Department of Fish and Wildlife;
- Department of Natural Resources;
- Department of Agriculture; and
- Washington Pollution Liability Insurance Agency.

Higher Education

Higher Education encompasses the main and branch campuses of the state's six four-year universities and the numerous facilities utilized by the 34 community and technical colleges. The agencies included in this functional area are:

- the University of Washington;
- Washington State University;
- Eastern Washington University;
- Central Washington University;
- The Evergreen State College;
- Western Washington University; and
- the State Board for Community and Technical Colleges.

Education

Education includes state support for the construction of kindergarten through grade 12 public schools by local school districts, as well as funding to support the facilities used by the state schools for children who are deaf or blind. Funding is also provided for the museums operated by the state historical societies. The biennial appropriation for school construction assistance grants to local school districts is generally the single largest appropriation in the capital budget. The agencies included in this functional area are the:

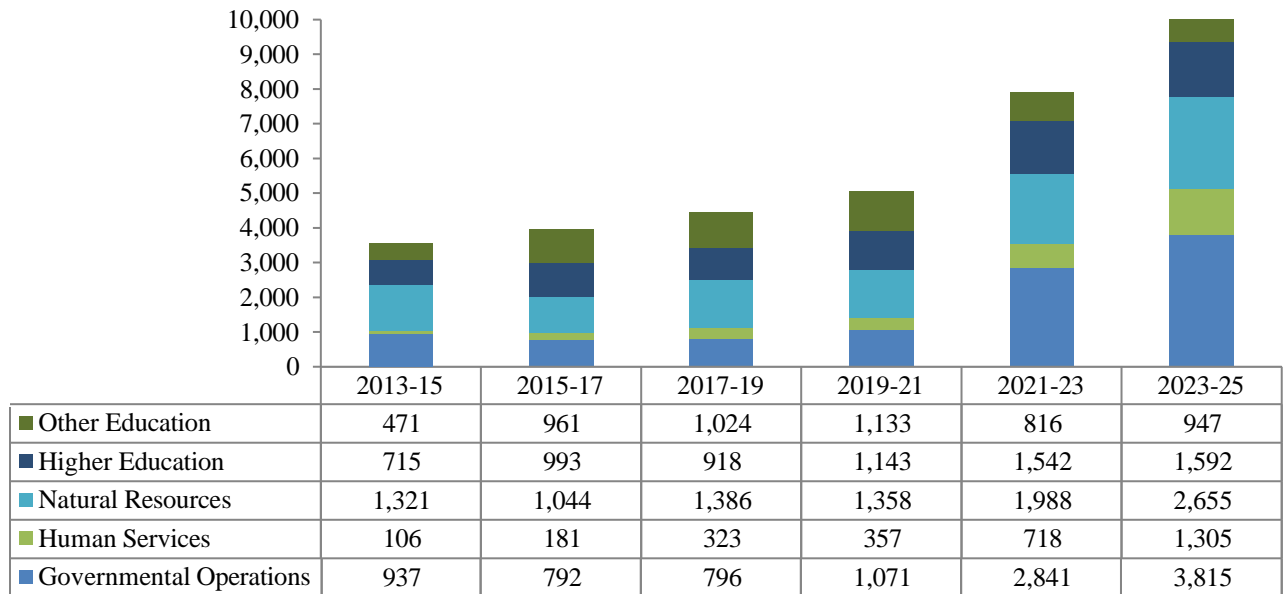
- Office of the Superintendent of Public Instruction;
- State School for the Blind;
- Center for Deaf and Hard of Hearing Youth;
- Washington State Historical Society; and

- Eastern Washington State Historical Society.

Capital Budget Functional Area History

Total Budgeted

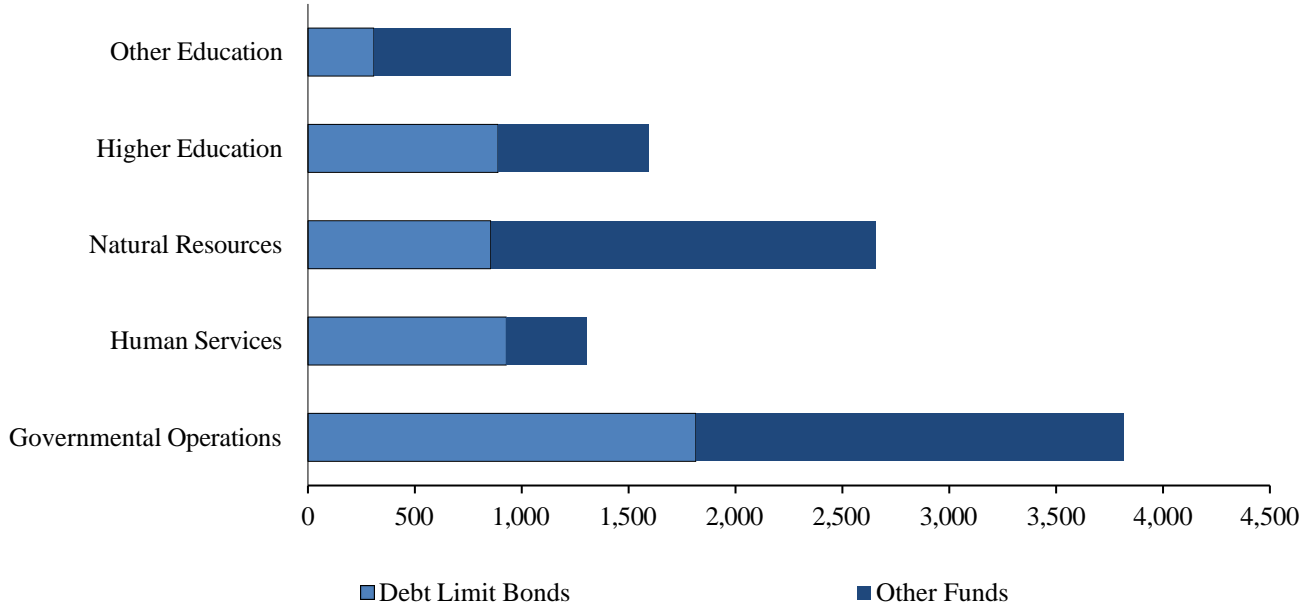
(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

2023-25 Capital Budget Functional Area Funding By Funding Source

(Dollars in Millions)



	Debt Limit Bonds	Other Funds	Total Budgeted
Governmental Operations	1,813.9	2,001.2	3,815.1
Human Services	928.1	377.4	1,305.5
Natural Resources	854.3	1,800.8	2,655.1
Higher Education	889.9	701.9	1,591.8
Other Education	308.4	638.3	946.7
Total	4,794.5	5,519.6	10,314.2

Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Governmental Operations



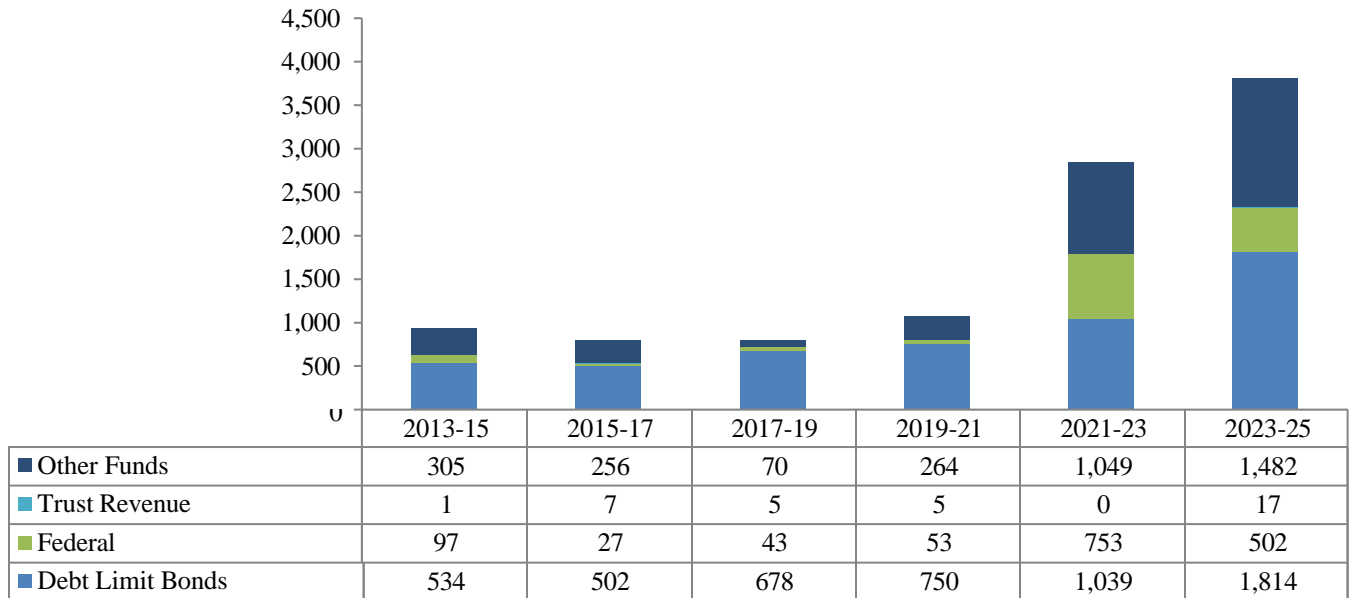
*The Insurance Building houses Office of Financial Management staff.
(Photo Credit: Legislative Support Services)*

Overview of Governmental Operations

The Governmental Operations functional area of the capital budget includes general government agencies, departments headed by elected officials, and agencies providing central services for the state. Capital projects developed and managed by these agencies serve a wide range of public purposes including state offices, community and youth services, art and cultural facilities, affordable housing, and local public infrastructure systems.

Governmental Operations Capital Budget by Fund Source

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

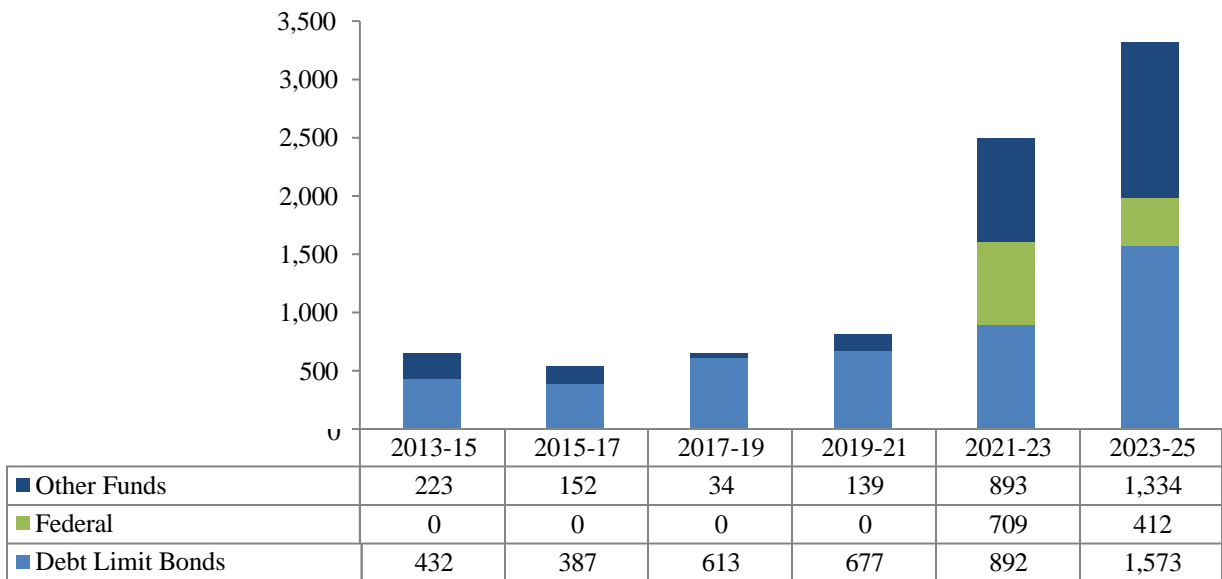
Department of Commerce

Agency Description: The stated mission of the Department of Commerce (Commerce) is "to strengthen communities in Washington." Commerce administers a diverse set of programs that provide financial and technical assistance to local governments, tribes, community-based organizations, and businesses statewide.

Facilities: Commerce does not own any buildings, but leases approximately 279,000 square feet in four office buildings around the state, including the Pacific Tower in Seattle (205,400 square feet) and their headquarters building in Olympia (43,600 square feet).

2023-25 Biennium: Commerce was appropriated \$3.3 billion in the 2023-25 Capital Budget for projects supporting infrastructure, clean energy, housing, behavioral health, early learning, and local community projects. Of this total, \$772 million was appropriated using Climate Commitment Act funds.

**Department of Commerce
Capital Budget History**
(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Primary Capital Programs Administered by the Department of Commerce: Commerce receives a significant amount of state capital funding, the majority of which is loaned or granted to local communities for affordable housing, infrastructure, weatherization, energy projects, behavioral health capacity, early learning facilities, and other community projects.

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Behavioral Health Community Capacity Grants	The Department of Commerce, in collaboration with the Department of Social and Health Services, the Health Care Authority, and the Department of Health, awards grants through a competitive process to community hospitals and other community entities to expand and to establish new capacity for behavioral health services, including crisis stabilization, around the state.	Cities, Counties, For-Profit Organizations, Nonprofit Organizations, Other, Tribes	298.7
Broadband Office	Grants for broadband infrastructure projects funded through the federal Broadband Equity, Access, and Deployment (BEAD) program that meet a number of eligibility requirements including serving areas that are unserved or underserved and will provide minimum speeds of 100 megabits per second (mps) upload and 20 mps download.	Cities, Counties, For-Profit Organizations, Higher Education Institutions, Nonprofit Organizations, Other, Port Districts, Public Utility Districts, Public Comm/Technical Colleges, Special Purpose Districts, State Agencies, School Districts, Towns, Tribes	295.8
Building Communities Fund	The Building Communities Fund Program awards state grants to nonprofit, community-based organizations to defray up to 25 percent or more of eligible capital costs to acquire,	Nonprofit Organizations, Tribes	30.6

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
	construct, or rehabilitate nonresidential community and social service centers.		
Building for the Arts	The Building for the Arts Program awards grants to performing arts centers, art museums, and cultural organizations for up to one-third of eligible capital costs for acquisition, construction, and/or major renovation of capital facilities.	Nonprofit Organizations, Tribes	18.0
Capital Grant Program Equity	Grants to technical assistance consultants and community-based organizations to assist in capital planning and predesign services to help organizations prepare their capital projects for capital grant opportunities at Commerce.	For-Profit Organizations, Nonprofit Organizations, Other	3.8
Clean Energy Fund	The Clean Energy Fund program funds the development, demonstration, and deployment of clean energy technology. Projects include clean energy development grants for Tribes; research, development, and demonstration of new technologies; and electrical grid integration and innovation projects. Application process varies by grant type.	Cities, Counties, Higher Education Institutions, Nonprofit Organizations, Other, Port Districts, Public Utility Districts, Special Purpose Districts, School Districts, Towns, Tribes	50.0
Community Economic Revitalization Board (CERB) Program	The CERB has the authority to finance public infrastructure improvements that encourage new private business development and expansion. In addition to funding construction projects, the CERB provides limited funding for studies that evaluate high-priority economic development and broadband projects. The board reviews projects and meets every two months.	Cities, Counties, Community Water Systems, Other, Port Districts, Public Utility Districts, Special Purpose Districts, Towns, Tribes	25.0
Community EV Charging	Grants for community electric vehicle (EV) charging infrastructure and equipment.	Cities, Counties, Other, Port Districts, Public Utility	105.0

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
		Districts, Special Purpose Districts, Towns, Tribes	
Community Solar Resilience Hubs	Grants for solar deployment and battery storage at publicly owned community buildings.	Cities, Counties, Nonprofit Organizations, Other, Port Districts, Public Utility Districts, Special Purpose Districts, State Agencies, Towns, Tribes	38.0
Connecting Housing to Infrastructure Program	Grants or deferred loans for sewer, water, or stormwater improvements and/or waived system development charges for new affordable housing projects. The project must be located in a city or county that imposed a sales and use tax for affordable housing.	Cities, Counties, Public Utility Districts	60.0
Defense Community Compatibility	Grants to entities who have entered into an agreement with a military installation under the US Department of Defense Readiness and Environmental Protection Integration Program. Grants may be used for projects that address land development and military operations that impact the economy, environment, or quality of life opportunities for local communities. Eligible projects include land acquisition, recovery or protection of endangered species, increase affordable housing, and others.	Cities, Counties, Nonprofit Organizations, Other, Port Districts, Public Utility Districts, Special Purpose Districts, School Districts, Towns, Tribes	37.7
Early Learning Facilities – School Districts	Provides grants to K-12 school districts to expand, remodel, purchase, or construct early learning facilities and classrooms necessary to support state-funded early learning opportunities for low-income children.	School Districts	5.4

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Early Learning Facilities Grants and Loans	The Early Learning Facilities program provides grants to Early Childhood Education Assistance Program contractors and Working Connections Child Care (WCCC) providers to expand, remodel, purchase, or construct early learning facilities and classrooms necessary to support state-funded early learning opportunities for low-income children.	Cities, Counties, For-Profit Organizations, Higher Education Institutions, Nonprofit Organizations, Other, Towns, Tribes	91.7
Energy Retrofits for Public Buildings	Energy efficiency and solar grant funded projects result in energy and operational cost savings at state public higher education institutions, local government facilities, state agencies, tribal governments, and K-12 public school districts. Application process, match requirements, and eligible grantees vary by grant type.	Cities, Counties, Higher Education Institutions, State Agencies, School Districts, Tribes	50.0
Home Efficiency Rebates Program	Rebate program that discounts the price of energy-savings retrofits in single-family and multifamily buildings, with a special focus on low-income households. Funding for this program comes from the federal Inflation Reduction Act.	Other	83.2
Home Electrification and Appliance Rebates Program	Grants to partnering organizations to provide rebates and incentives to low- and moderate-income households and to small businesses to purchase and install high-efficiency electric appliances and equipment.	Cities, Counties, Nonprofit Organizations, Other, Public Utility Districts, Towns, Tribes	163.0
Housing Finance Commission Land Acquisition Program	The Land Acquisition Program (LAP) is operated by the Housing Finance Commission. The LAP provides affordable loans to buy land for the eventual construction of affordable housing. Land Acquisition Program loans have	Cities, Counties, Nonprofit Organizations, Other, Towns, Tribes	40.0

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
	a 1 percent interest rate and a maximum term of eight years.		
Housing Trust Fund	Competitive grant and loan program to fund affordable housing for low-income persons and special needs populations. The program supports the construction, acquisition, rehabilitation, or preservation of low-income housing units; assists low-income homebuyers with down payments to purchase their first homes; and provides pre-development technical assistance and organizational capacity building through strategic partnerships. Transit-oriented housing funding was added in 2023.	Cities, Counties, Nonprofit Organizations, Other, Towns, Tribes	577.5
Landlord Mitigation	Program to reimburse landlords for eligible claims related to private market rental units during the time of their rental to low-income tenants using housing subsidy programs. Eligible claims include unpaid rent and utilities, damages to rental property, and/or other eligible costs.	Other	5.0
Large Scale Solar Innovation Projects	Competitive grant program for planning and construction of large-scale solar innovation projects. The projects must have alternating current nameplate capacity of more than 100 kW at a single site or more than 1 MW across multiple sites.	Cities, Counties, For-Profit Organizations, Higher Education Institutions, Nonprofit Organizations, Public Utility Districts, State Agencies, Towns, Tribes	39.0
Library Capital Improvement Program	Competitive grant program to assist libraries operated by governmental units in acquiring, constructing, or rehabilitating facilities.	Cities, Counties, Other, Towns	11.0

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Low-Income Community Solar	Grants for community solar and battery storage projects available to organizations serving low-income communities.	Other	6.0
Public Works Board	Provides loans and grants for public works projects for the planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation, or improvement of streets and roads, bridges, water systems, or storm and sanitary sewage systems, and solid waste facilities, including recycling facilities.	Cities, Counties, Public Utility Districts, Special Purpose Districts, Towns	400.0
Rural Rehabilitation	Grant program for rural single-family homeowners with low income to pay for the cost for home rehabilitation to stabilize and make weatherization-ready. Commerce contracts with local governments, tribal nations, and other approved grantees to provide home rehabilitation services.	Landowners	6.0
Weatherization Program	The Weatherization Program provides grants to local partners to improve energy efficiency and home health for low-income single family and multifamily households. Projects include adding insulation, sealing cracks, and other changes that reduce heat loss, save money on heating bills, and make homes healthier. The federal government and Washington fund weatherization programs in Commerce. Commerce contracts with local agencies that provide the weatherization services.	Nonprofit Organizations, Other, Tribes	40.0
Youth Recreational Facilities	Competitive grant program designed to fund up to 25 percent of eligible capital costs of new facilities or major improvements to facilities dedicated to nonresidential youth services (excluding outdoor athletic fields).	Nonprofit Organizations, Tribes	8.0

Local and Community Projects and Lending of Credit

As described in the Budget Overview Section, the Washington Constitution prohibits the state from lending its credit or making gifts of public funds. In general, these provisions prevent the state from making expenditures without receiving a public benefit in return, and from placing state moneys at risk without adequate protection. These prohibitions do not prevent the state from providing grants to entities whose purposes are wholly public, such as local governments, but the restrictions do limit the state's ability to provide grants to individuals and private entities, whether for-profit or nonprofit.

In the case of local and community projects, the state grants appropriated in the capital budget typically provide funding to construct, purchase, or renovate a facility that the nonprofit organization or local government will then use to provide services to the public. The public benefit is the services that the public will receive when the capital project is completed. This benefit is more indirect than, for example, contracts with nonprofits that are funded in the operating budget, where the compensation for the public expenditure is the services that are directly and contemporaneously provided.

Given these lending of credit and gift of public funds restrictions, grant programs for local and community projects contain a number of safeguards to ensure that the grants comply with the Washington Constitution.

The review process and other state requirements for the statutory grant programs significantly reduce the risk of lending credit violations. Under the programs' processes and requirements: (1) an application process, including a competitive process where applicable, means the public benefit is clearly defined and highly ranked; (2) the financing is secured and the state grant is generally 25 percent or less of total project financing; (3) the project is well underway and will be completed in a short timeframe, meaning the facility can start providing the public services/benefits soon; (4) the project or a phase of the project will be usable to the public for its intended purpose once the state funds are expended; and (5) the nonprofit organization or local government has entered into a contract to ensure the facility will be used for its intended purpose for a sufficient period of time in the future to justify the state investment in the project.

These criteria ensure that the state receives a benefit in the form of services provided to the public in the near term, and they protect public assets by avoiding expenditures for projects that are still in the early stages or for which financing still needs to be raised.

In addition, the terms of the grants direct the state to recover its investment from any projects that do not provide the public services or benefits for a sufficient period of time or from projects that are not completed within a reasonable period of time (generally five years).

Department of Enterprise Services

Agency Description: The Department of Enterprise Services (DES) engages in the following capital budget related activities:

- provides engineering and architectural services to non-higher education agencies and community and technical colleges including managing design and construction contracts;
- manages capital planning and programs for over five million square feet of state-owned property;
- provides maintenance and custodial services to the capitol campus and satellite campuses;
- provides real estate services to agencies leasing space in privately-owned and state-owned facilities in conjunction with the Office of Financial Management; and
- assists agencies to relocate, acquire, and dispose of property.

Facilities:

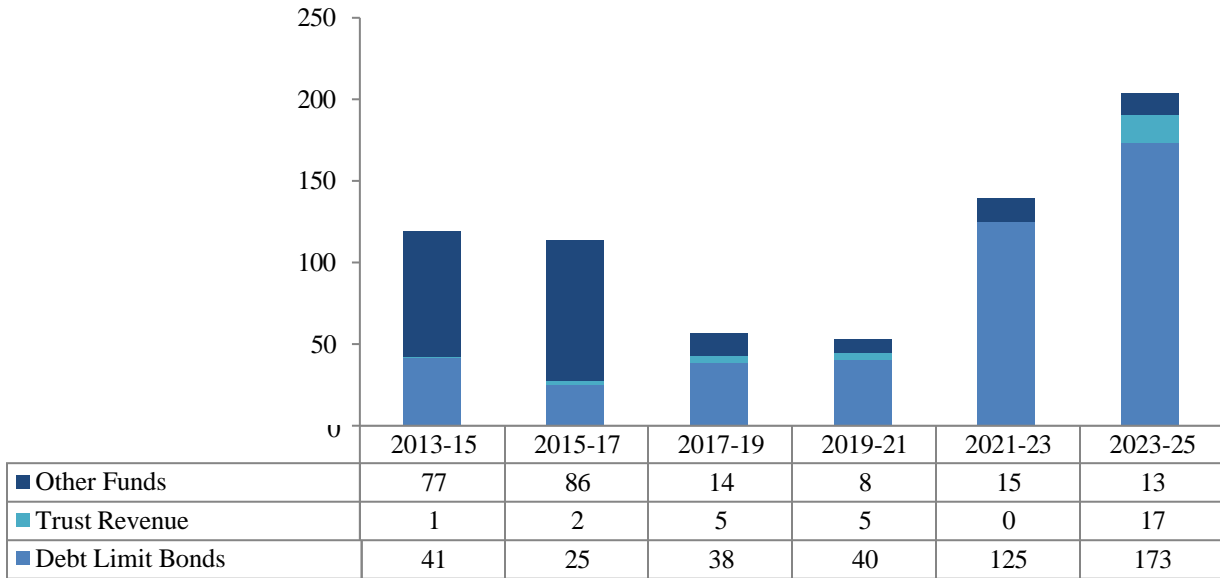
- Owned: 45 (4.4 million square feet)
 - Examples: Capitol buildings and grounds, parking facilities, monuments.
- Leased: 7 (335,315 square feet)
 - Examples: Consolidated Mail Services, Fleet Operations, Employee Assistance Program.

Recent Major Project: Legislative Campus Modernization

- *Funding:* \$124.1 million was newly appropriated and \$75 million was reappropriated in the 2023-25 biennium.
- *Description:* The Legislative Campus Modernization project funds the design and construction for a replacement of the Newhouse Building, the design of a renovation and addition for the Pritchard Building, and global project costs such as a modular building.
- *Update as of Fall 2024:* The Newhouse Building is complete and will be occupied prior to the 2025 Legislative Session, while construction is underway for the Pritchard Building.

Department of Enterprise Services Capital Budget History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Office of Financial Management

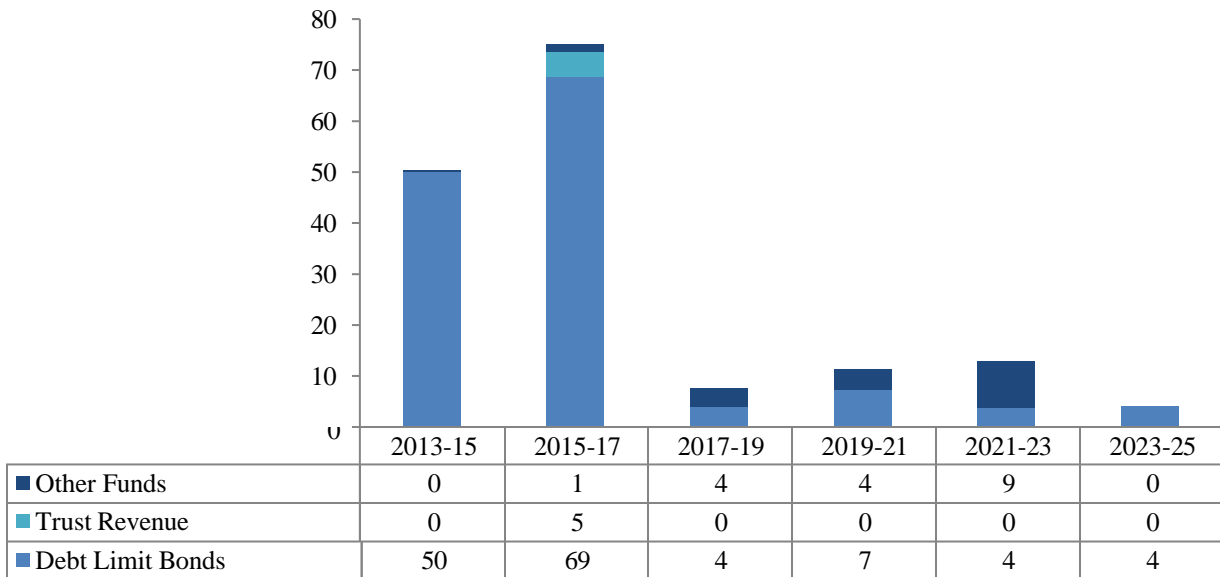
Agency Description: The Office of Financial Management (OFM) typically engages in the following capital budget related activities:

- Develop capital budget proposals from agency requests for submission to the Legislature by the Governor (both for the upcoming biennium and a 10-year capital plan).
- Administer the adopted capital budget and oversee agency capital planning, spending, projects, and decisions.
- Analyze agency space needs through facilities oversight.
- Review and approve agency requests for emergency repair funding to address unexpected building or grounds failures.

Facilities: The OFM is headquartered in the Insurance Building located on the Capitol Campus, which is owned and managed by the Department of Enterprise Services.

Office of Financial Management Capital Budget History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024. The 2013-17 data includes appropriations for catastrophic flood relief in the Chehalis Basin.

Military Department

Agency Description: The Military Department (Department), headquartered at Camp Murray in Pierce County, has several major operational divisions: Army National Guard, Air National Guard, Emergency Management, Washington Youth Academy, State Guard, and State and Federal Support Services. Using state and federal resources, the Department provides services including homeland defense, homeland security, and emergency mitigation and preparedness, along with response and recovery activities. The Department manages capital programs at Camp Murray and readiness centers throughout the state to respond to local emergencies and disasters and to accommodate the state's military mission. Readiness centers serve as staging grounds, training centers, and operational centers for National Guard members and first responders during disaster and emergency responses.

Facilities:

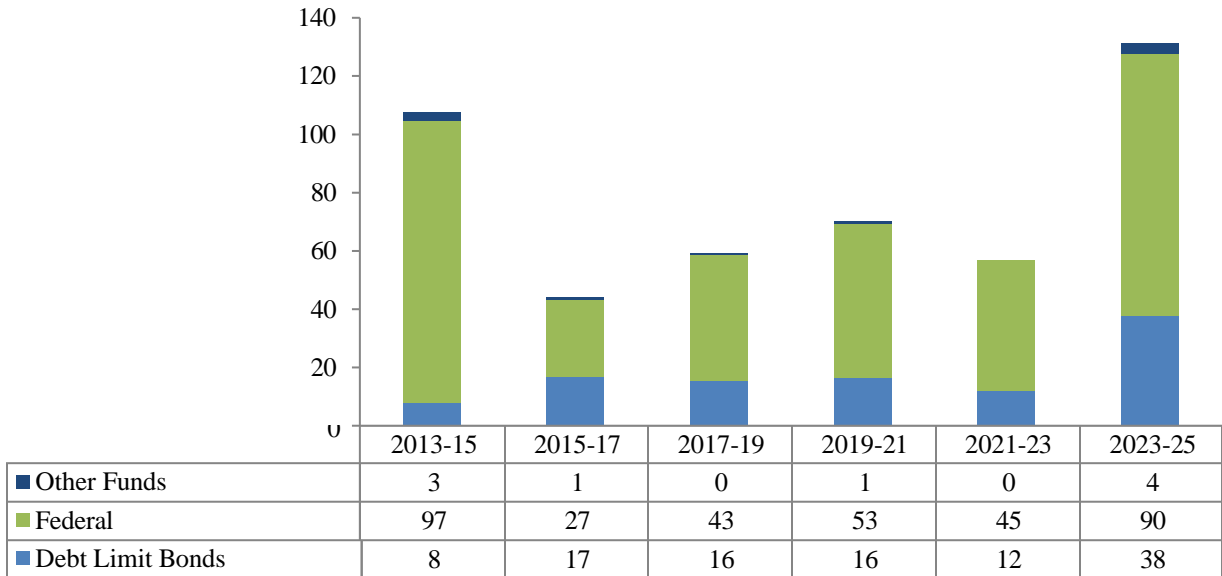
- Owned: 201 (1.7 million square feet)
 - Examples: National Guard readiness centers, storage facilities, troop barracks.
- Leased: 111 (1.3 million square feet)
 - Examples: Training centers, recruiting stations, aircraft maintenance and operations facilities.

Recent Major Project: Thurston County Readiness Center (30000594)

- *Funding:* \$47.5 million was appropriated over several biennia beginning in the 2013-15 Capital Budget and ending in the 2018 Supplemental Capital Budget. Of this, \$35.1 million was federal funds and the remaining \$12.4 million was state funded.
- *Description:* The Thurston County National Guard Readiness Center was constructed to replace old armory buildings in Olympia and Puyallup that had previously been used for this purpose.
- *Update as of Fall 2024:* Project is complete.

Military Department Capital Budget History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Washington State Patrol

Agency Description: The Washington State Patrol (WSP) patrols state highways, provides emergency response and support services, and investigates crimes. The WSP is the largest law enforcement agency in the state with more than 2,200 employees split almost evenly between commissioned and civilian employees. The agency is primarily organized in six bureaus: Field Operations, Commercial Vehicle Enforcement, Fire Protection, Forensic Laboratory Services, Investigative Services, and Technical Services.

Facilities:

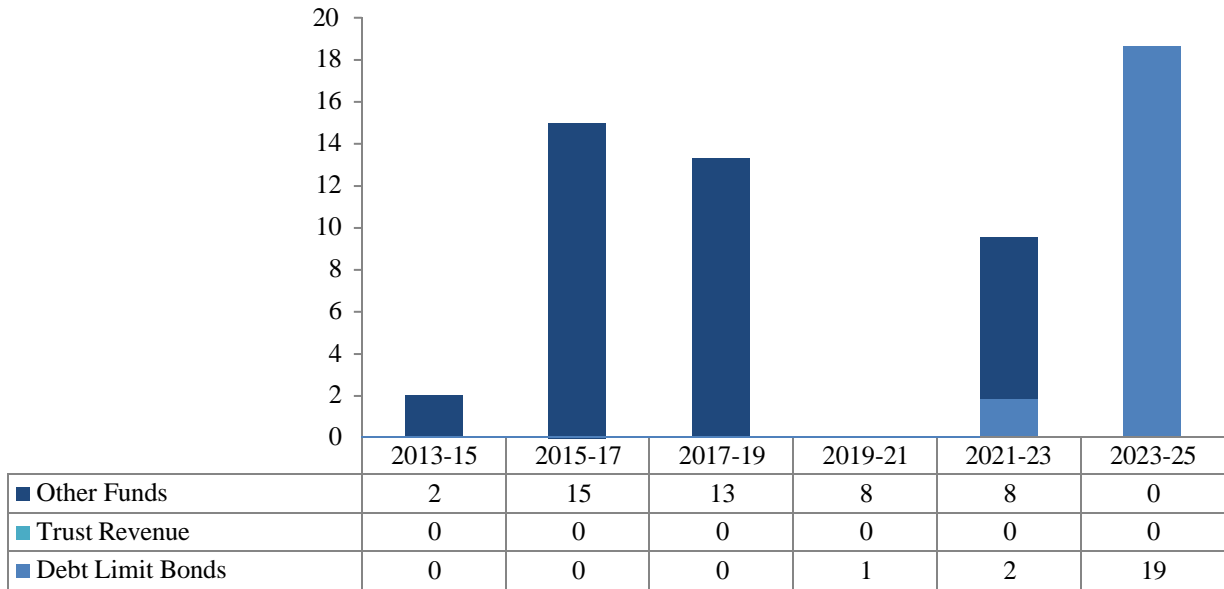
- **Owned:** 143 (589,900 square feet)
 - Examples: Crime lab facilities, Fire Training Academy, State Patrol Academy, various highway facilities.
- **Leased:** 13 (104,000 square feet)
 - Examples: Seattle Crime Lab, regional detachment facilities.

Recent Major Project: South I-5 Corridor Crime Lab Facility (40000072)

- *Funding:* \$8.6 million was appropriated in the 2023-25 Capital Budget for the design of a new consolidated crime lab facility in the southern part of the I-5 corridor. Future construction costs are expected to be approximately \$95 million.
- *Description:* This project will construct a multiservice crime lab on WSP-owned land in Federal Way to process forensic evidence for local, county, and state law enforcement agencies.

Washington State Patrol Capital Budget History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Department of Archaeology and Historic Preservation

Agency Description: The Department of Archaeology and Historic Preservation (DAHP) provides services to state agencies, local governments, and others related to the preservation of the state's historic and cultural resources. Its Director serves as the state's historic preservation officer. The DAHP services include reviewing proposed capital projects for impacts on cultural resources, providing permits for archaeological excavations, helping local governments preserve historic resources, and administering federal rehabilitation investment tax credits. Governor Inslee signed Executive Order 21-02 in April 2021, continuing a requirement begun in 2005 by Governor Gregoire, requiring state agencies to consult with the DAHP and affected tribes on the potential effects on cultural resources by proposed state-funded construction or acquisition projects.

Facilities: The DAHP is headquartered in the historic Thurston County Courthouse, which is owned and managed by the Department of Enterprise Services.

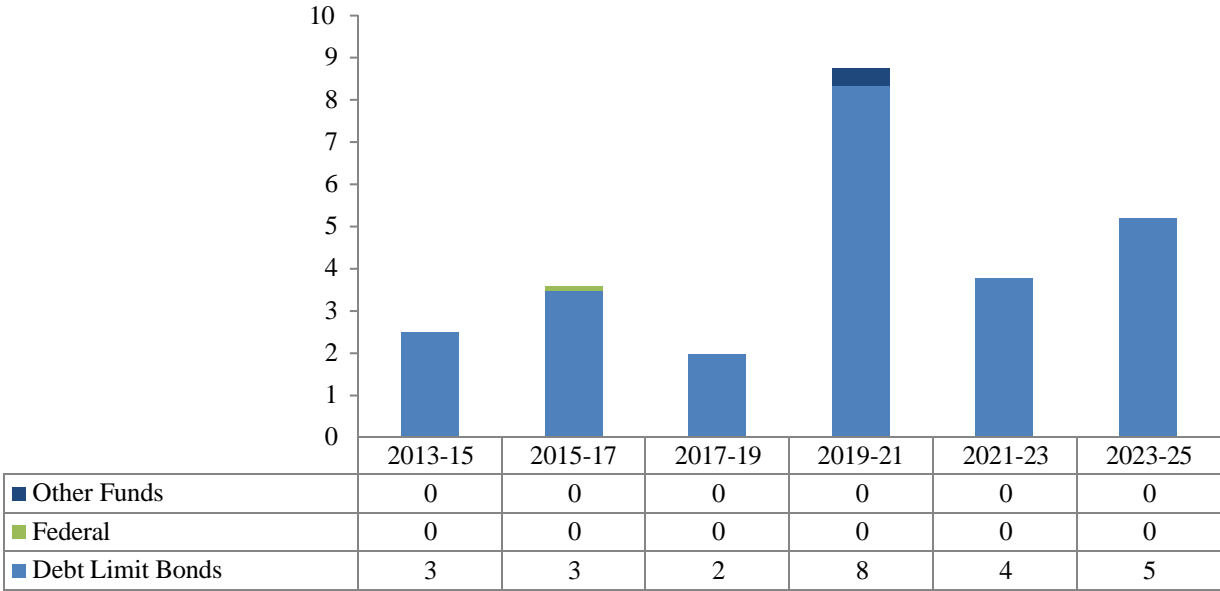
Primary Capital Programs Administered by the DAHP: The following table summarizes the Department of Archaeology and Historic Preservation-administered grant programs funded in the capital budget.

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Heritage Barn Preservation Program	Competitive grant program to assist with rehabilitation projects to preserve and rehabilitate historic barns across the state. Historic agricultural structures listed in the Heritage Barn Register, Washington Heritage Register, or National Register of Historic Places, are eligible to receive grant funds.	Cities, Counties, Landowners, Nonprofit Organizations, Special Purpose Districts, Towns	1.0
Historic Cemetery Grant Program	Grants for rehabilitation or renovation of decaying or abandoned cemeteries to preserve the historic character, features, or materials or that maintain or improve the functions of the cemetery. Grants are awarded through a competitive application process. Any cemetery containing five or more burials, with at least one burial more than 50 years old, is eligible for grant funding.	Cities, Counties, Landowners, Nonprofit Organizations, Special Purpose Districts	0.5

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Historic County Courthouse Rehabilitation Grants	Competitive grant program designed to provide state matching funds for eligible county courthouse rehabilitation capital projects.	Counties	3.2
Historic Theater Capital Grants Program	Grants are provided to eligible organizations for capital projects that restore and rehabilitate historical theater buildings. To qualify, a theater must have been originally built as a theater, be currently operating as, or will be restored to operate as, a theater, and be registered in the Washington Heritage Register or the National Register of Historic Places.	Cities, Counties, For-Profit Organizations, Nonprofit Organizations, Special Purpose Districts, Towns, Tribes	0.5

**Department of Archaeology and Historic Preservation
Capital Budget History**

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Secretary of State

Agency Description: The Office of the Secretary of State was established with the adoption of the Washington Constitution in 1889. The Secretary of State is elected every four years and is second in the line of succession to the Office of the Governor.

The Secretary of State administers a number of divisions and programs, including elections and voting, charities, state archives, and the State Library, among others.

- The State Records Collections, located in Olympia, provide an account of public government in Washington, beginning with the establishment of the Washington Territory in 1853 to present day. Included among the collection are executive and legislative records, court records, records from all state agencies, and all of the "official records" of the state, including governors' proclamations, executive orders, election results, and the laws as passed and signed.
- Washington State Archives' regional branches maintain local records, including genealogy, land use and property records, legal records, and educational records. The branches offer consultation, workshops, and coordinate additional services. The branches are at the following locations:
 - Central Region (Central Washington University, Ellensburg)
 - Eastern Region (Eastern Washington University, Cheney)
 - Puget Sound Region (Bellevue)
 - Northwest Region (Western Washington University, Bellingham)
 - Southwest Region (Olympia)
- The State Library's main location is currently in Tumwater, with a reading room that is open to the public. The State Library also has branches located within Department of Corrections and Department of Social and Health Services institutions. In addition, the Washington Talking Book and Braille Library is located in downtown Seattle.

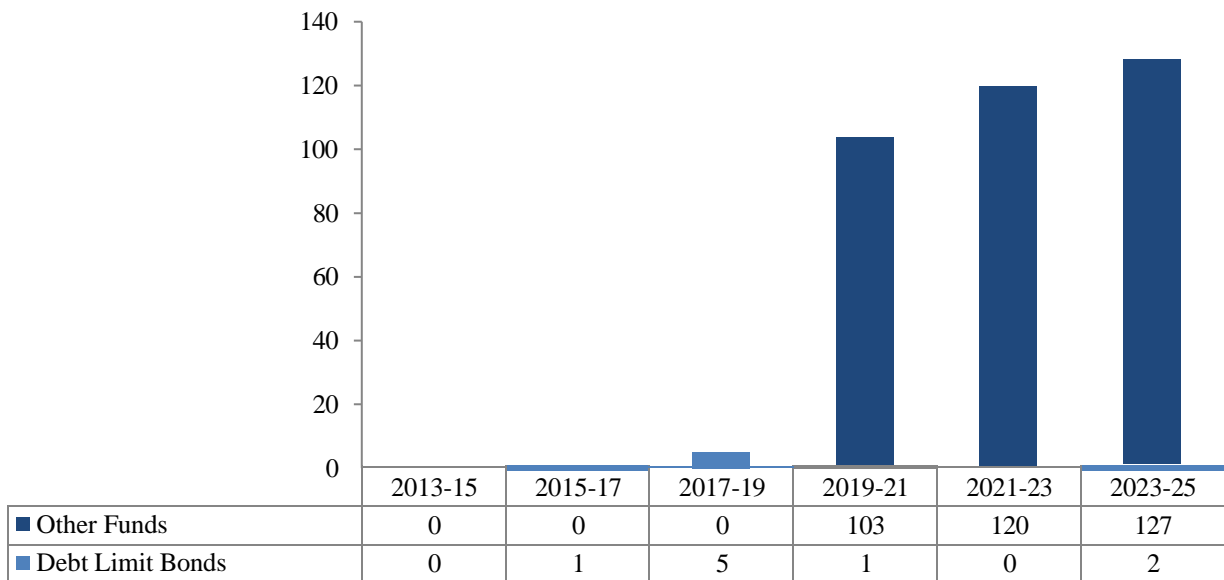
Facilities:

- Owned: 5 (177,000 sq. ft.)
 - Examples: State Archives' regional branches, Talking Book and Braille Library.
- Leased: 3 (Olympia and Tumwater, 90,000 sq. ft.)
 - Examples: Elections Office, State Library.

Recent Major Project: Library-Archives Building (30000033)

- *Funding:* \$119 million in alternative financing for construction was reauthorized and \$8 million in new appropriation authority was included in the 2023-25 Capital Budget.
- *Description:* The new facility will house divisions presently located in separate leased facilities throughout Olympia and Tumwater, the State Library, State Archives, and the state printer.
- *Update as of Fall 2024:* The facility design and construction has been delayed due to a permit application pending with the US Department of Fish and Wildlife related to the presence of a protected species of pocket gophers.

**Secretary of State
Capital Budget History**
(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Relevant Organizations to the Functional Area

Affordable Housing Advisory Board (RCW 43.185B.020 and .030): The Affordable Housing Advisory Board reviews, evaluates, and makes recommendations to the Department of Commerce regarding existing and proposed housing programs and initiatives including tax policies, land use policies, and financing programs.

State Building Code Council (RCW 19.27.070): The State Building Code Council (Council) is a 15-member council created to advise the Legislature and the Governor on building code-related matters. The Council adopts and amends Uniform Codes, the Historic Building Code, and the Energy Code in accordance with the Administrative Procedures Act; and reviews, approves, or denies local residential amendments.

State Capitol Committee (RCW 43.17.070 and RCW 43.34): The State Capitol Committee oversees the Capitol Campus Master Plan and other issues affecting the Capitol Campus; approves the construction of all state buildings in Thurston County; and approves acquisition of real estate for state government in Thurston County. Committee members include the Governor or Governor's designee, the Lieutenant Governor, the Secretary of State, and the Commissioner of Public Lands.

Capitol Campus Design Advisory Committee (RCW 43.34.080): The Capitol Campus Design Advisory Committee advises the State Capitol Committee and the Director of the Department of Enterprise Services. The committee's responsibilities include reviewing programs, plans, designs, and landscaping of State Capitol facilities and grounds; and making recommendations that will contribute to their architectural, aesthetic, functional, and environmental excellence.

Capitol Furnishings Preservation Committee (RCW 27.48.040): This 22-member committee promotes and encourages the recovery and preservation of the original and historic furnishings of the State Capitol group, prevents future loss of historic furnishings, and reviews and advises on future remodeling and restoration projects as they pertain to historic furnishings.

Community Economic Revitalization Board (RCW 43.160.060): The 20-member board (Board) represents private and public sectors statewide and is staffed by the Department of Commerce. The Board sets policy and selects public facilities projects that will receive Community Economic Revitalization Board loans and grants.

Capital Projects Advisory Review Board (RCW 39.10.230): The Capital Projects Advisory Review Board reviews alternative public works contracting procedures and provide guidance to state policy makers on ways to enhance the quality, efficiency, and accountability of public works contracting methods.

Washington Economic Development Finance Authority (RCW 43.163.020): The Washington Economic Development Finance Authority is an independent agency with a 17-member board, created by the Legislature to issue nonrecourse revenue bonds for qualifying projects. These projects include manufacturing, processing, waste disposal, alternative energy production, waste or sewage treatment, and recycling facilities. Retail projects are not eligible.

State Finance Committee (RCW 43.33.010): The State Finance Committee is responsible for the authorization and issuance of all state debt. Committee members include the Governor, the Lieutenant Governor, and the State Treasurer.

Housing Finance Commission (RCW 43.180.040): The Housing Finance Commission (HFC), with an 11-member board, develops and administers financing programs for the development of affordable rental housing throughout the state and for home ownership opportunities. Additionally, the HFC provides access to capital for sustainable energy projects, beginning farmers and ranchers, land acquisition, and nonprofit facilities.

Public Works Board (RCW 43.155.030): The 13-member board is authorized, with legislative approval, to make low-interest loans and grants from the Public Works Assistance Account to finance the repair, replacement, or improvement of the following infrastructure systems: bridges, roads, drinking water, wastewater, stormwater, solid waste and recycling, and broadband.

Human Services



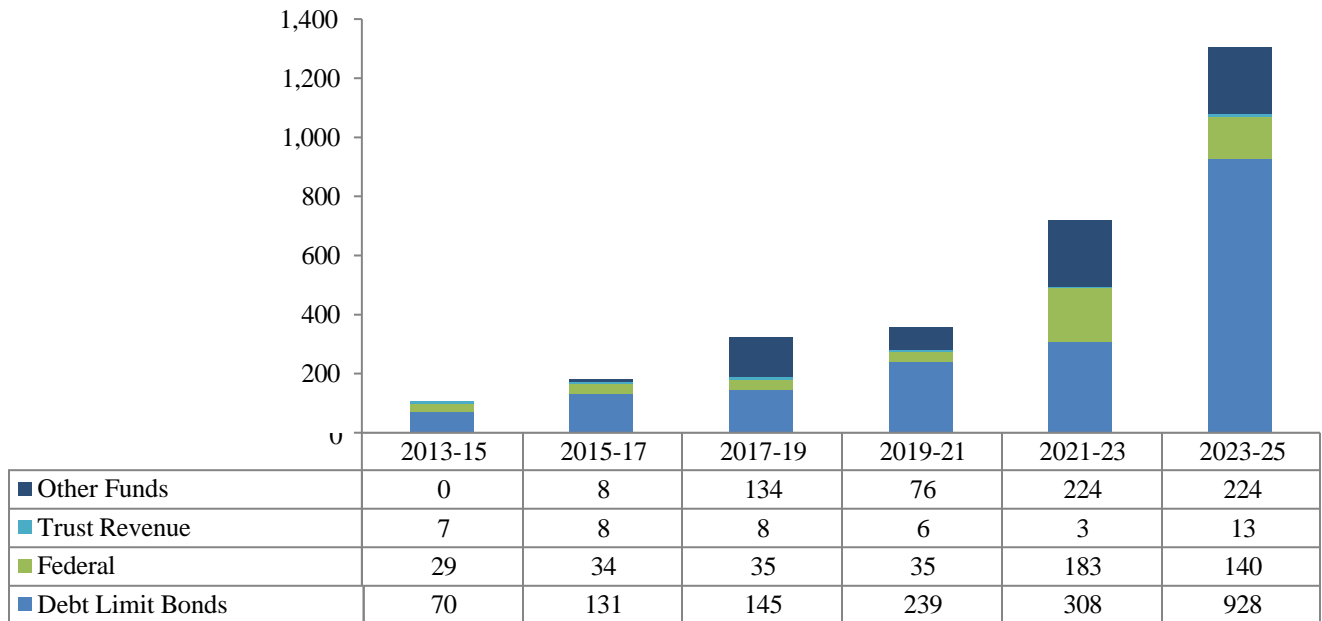
*Echo Glen Children's Center in Snoqualmie, Washington.
(Photo Credit: Legislative Support Services)*

Overview of Human Services

The Human Services functional area of the capital budget includes the Criminal Justice Training Commission, and the departments of Social and Health Services; Children, Youth, and Families; Corrections; Labor and Industries; Veterans Affairs; and Health. Most Human Services capital projects involve construction and repair of state institutions such as mental health hospitals, prisons, juvenile rehabilitation facilities, veterans’ homes, and facilities for developmentally disabled persons.

Human Services Capital Budget by Fund Source

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Department of Social and Health Services

Agency Description: The Department of Social and Health Services (DSHS) maintains and operates facilities that provide care and treatment for persons with behavioral health needs, sex offenders, and persons with developmental disabilities who require intensive care.

Facilities:

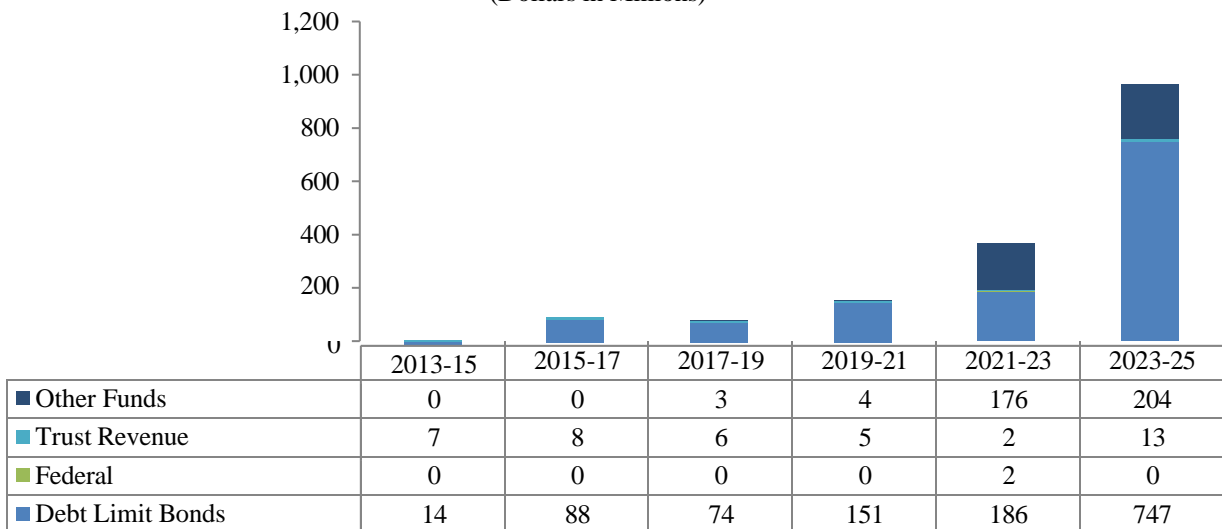
- Owned: 331 (4.6 million square feet)
 - Examples: psychiatric hospitals, residential habilitation centers, residential treatment facilities, special commitment center, and secure community transition facilities.
- Leased: 103 (2.2 million square feet) in 49 cities
 - Examples: community services offices, state-operated living alternatives, regional offices.

Recent Major Project: Western State Hospital—New Forensic Hospital (91000067)

- *Funding:* \$613 million was appropriated in the 2023-25 Capital Budget.
- *Description:* Funding was provided for the construction of a 350-bed forensic hospital at Western State Hospital. Funding was also reappropriated to complete the design and to finish demolition of existing buildings on the site.
- *Update as of Fall 2024:* Final design was completed in August 2024 and permitting with the City of Lakewood is underway. Construction of a new quad fence and sallyport are 95 percent complete and initial construction of the hospital is expected to begin in January 2025. The total project budget is estimated at \$947 million.

Department of Social and Health Services Capital Budget History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024

Primary Capital Programs Administered by the DSHS:

Behavioral Health Facilities

The Behavioral Health Administration operates three psychiatric hospitals including: the Child Study and Treatment Center (CSTC); Eastern State Hospital; and Western State Hospital.

The two adult hospitals provide evaluation and inpatient treatment for people with serious or long-term mental illness who have been referred to the hospital through their Behavioral Health Organization or Managed Care Organization (MCO), the civil court system when individuals meet the criteria for involuntary treatment (RCW 71.05), or through the criminal justice system (RCW 10.77). The Children’s Long-term Inpatient Program Administration, in coordination with the child’s family or guardian and the MCO, manages referrals to the CSTC.

	Child Study and Treatment Center	Eastern State Hospital	Western State Hospital		Olympic Behavioral Health³	Behavioral Health Treatment Facilities⁴
Number of Facilities	8	42	44		1	5
Gross Square Feet	113,600	797,000	1,264,000		125,960	
	All clients	All clients	Civil	Forensic	All clients	All clients
Funded Bed Capacity ¹	65	375	287	458	72	106
Average Daily Census ²	52	292	223	415	49	73

Source: Department of Social and Health Services, 2024.

Notes:

1. Funded bed capacity for fiscal year 2024.
2. Average daily census for fiscal year 2024.
3. Partial data for fiscal year 2024. Olympic Behavioral Health began accepting patients in October 2023.
4. As of October 2024, Behavioral Health Treatment Facilities include the Maple Lane Campus’ Cascade, Columbia, and Oak units, and the Steilacoom Unit in Lakewood. The Brockmann Campus in the Vancouver area is under construction and expected to open 48 additional civil beds in 2025 and 2026. In addition, the Maple Lane Campus will expand to add 126 total additional civil beds starting in late 2024 through 2027.

Developmental Disabilities Facilities

The Developmental Disabilities Administration (DDA) provides a broad range of services and support to over 29,000 eligible clients, while maintaining four residential habilitation centers (RHC) that currently house approximately 447 individuals.

The RHCs are 24-hour facilities certified as either: (1) intermediate care facilities offering habilitation services, intensive nursing, therapy services, and work-related assistance; or (2) nursing facilities providing an extensive array of services for persons requiring daily nursing care.

	Fircrest	Rainier School	Lakeland Village	Yakima Valley School²	Total
Number of Facilities	44	80	51	13	188
Gross Square Feet	405,700	843,200	400,400	141,900	1,791,200
Residents ¹	178	82	137	50	447

Source: Department of Social and Health Services, 2024.

Notes:

1. Actual census as of November 2024.

2. Yakima is not permitted to admit long-term residents per RCW 71A.20.180 (1)(b).

Special Commitment Center

The Special Commitment Center (SCC) operates as part of DSHS to provide intensive sex offender treatment to individuals who have been civilly committed. The Total Confinement Facility serves as a secure treatment facility located on McNeil Island. The SCC provides a specialized mental health treatment program for civilly-committed sex offenders who have completed their prison sentences and were found to meet the criteria of a sexually violent predator. Only sex offenders whom the court finds meet the legal definition of a sexually violent predator may be civilly committed to the SCC.

Secure Community Transition Facility

Under the United States Constitution, sex offenders who remain dangerous and who have served time cannot be detained unless they are receiving treatment. The DSHS, as the result of the federal district court injunction, developed less restrictive alternative housing known as Secure Community Transition Facilities (SCTF) in King and Pierce counties. Only the SCC residents who have successfully completed the required levels of treatment in the institutional program, and who receive the DSHS' recommendation and court approval, are eligible for placement in an SCTF.

	Special Commitment Center	SCTF King County	SCTF Pierce County	Total
Number of Facilities	21	1	7	29
Gross Square Feet	263,000	15,600	13,000	291,600
Bed Capacity ¹	216	12	18	246
FY 2024 Average Daily Census ²	120	11	12	143

Source: Department of Social and Health Services, 2024.

Notes:

1. Bed capacity for the Special Commitment Center only includes permanent state-owned facility beds; some clients served during this period were assigned to beds in privately-owned facilities, the total capacity of which is not fixed.

2. Excludes Least Restrictive Alternative Average Census.

Department of Children, Youth, and Families

Agency Description: The Department of Children, Youth, and Families (DCYF) administers early learning, child welfare, and juvenile rehabilitation (JR) programs. The primary capital budget program administered by the DCYF is the management of JR facilities. The JR administration provides care, custody, and treatment for individuals between the ages of 10 and 25 who are committed to JR administration custody by a county juvenile court. The state owns and operates two secure residential treatment facilities and eight community facilities. Additionally, group care is provided by private contractors in residential community-based programs that operate out of leased facilities. In 2022, the DCYF closed the Naselle Youth Camp, which had previously operated as a youth detention center. The Department continues to maintain Naselle in a state of warm closure.

Facilities:

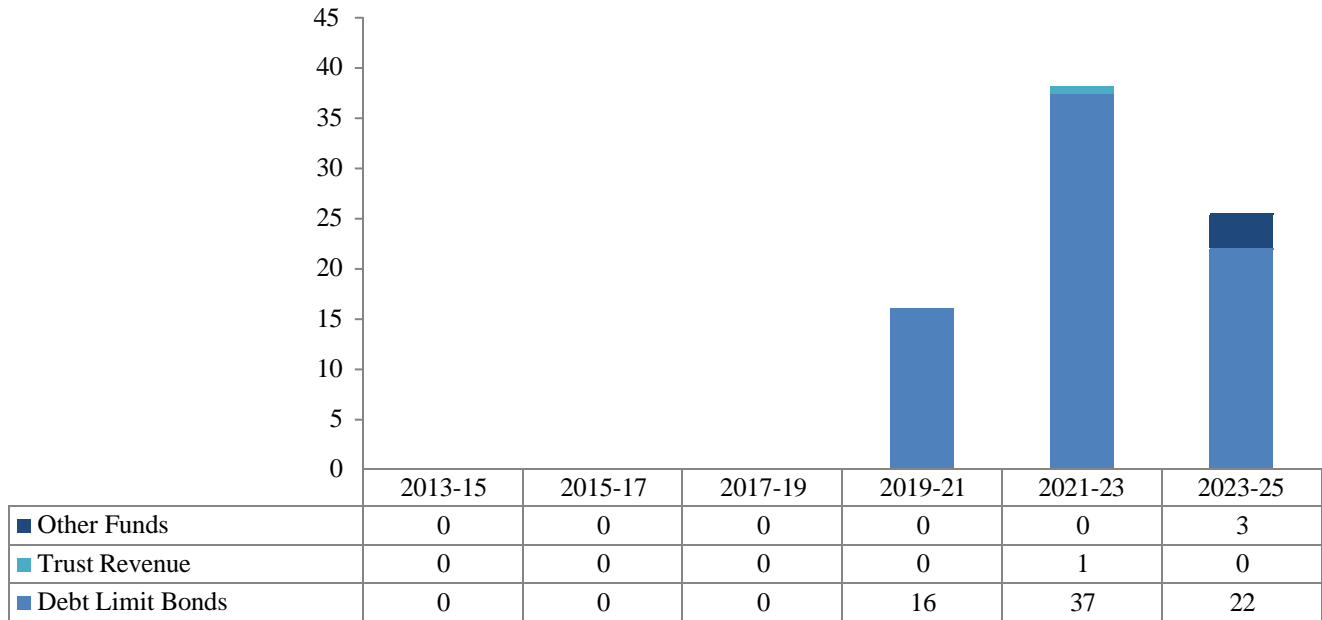
- Owned: 115 (643,756 square feet)
 - Examples: Green Hill School, Echo Glen Children’s Center, and Community Facilities around the state.
- Leased: 42 (627,693 square feet)

Recent Major Project: Echo Glen Secure Facility Improvements (40000546)

- *Funding:* \$12.6 million was newly appropriated in the 2023-25 Capital Budget.
- *Description:* Funding was provided for increased campus perimeter security, including constructing a fence barrier and installing video surveillance, motion detector monitoring, motion-activated lighting, and a master control room for a single point of entry.
- *Update as of Fall 2024:* Project design and permitting is underway, with construction bid solicitation expected to occur in late 2024 or early 2025. The project is scheduled for substantial completion by October 2025.

Department of Children, Youth, and Families Capital Budget History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Note: Historical data related to juvenile rehabilitation capital appropriations is included in DSHS.

Juvenile Rehabilitation Facilities

The JR secure residential and treatment facilities are:

- Echo Glen Children’s Center, located in Snoqualmie, a medium and maximum security facility that serves younger male and older female individuals in JR administration custody; and
- Green Hill School, located in Chehalis, a medium/maximum security fenced facility that serves older male youth in JR custody.

Secure Facilities		
Location	Echo Glen ¹	Green Hill
Security Level	Medium, Maximum	Medium, Maximum
Physical Bed Capacity	226	276
FY24 Average Daily Population	92	205
Operational Bed Capacity	194	192
% Operational to Physical Capacity	48%	107%

¹ As of October 2024, there are no residents in five of the buildings at Echo Glen. Building numbers 4, 5, 6, 7, and 11 are in warm closure status.

Community Facilities				
Community Facility	Population	Security Level	Physical Bed Capacity	Operational Bed Capacity
Canyon View	Male	Minimum	16	14
Oakridge	Male	Minimum	21	16
Parke Creek	Male	Minimum	14	14
Ridgeview	Female	Minimum	14	12
Sunrise	Male	Minimum	14	14
Touchstone	Male	Minimum	16	16
Twin Rivers	Male	Minimum	16	16
Woodinville	Male	Minimum	16	14

Source: Department of Children, Youth, and Families, October 2024.

Department of Labor and Industries

Agency Description: The Department of Labor and Industries (L&I) is dedicated to the safety, health, and security of Washington’s 3.3 million workers. L&I:

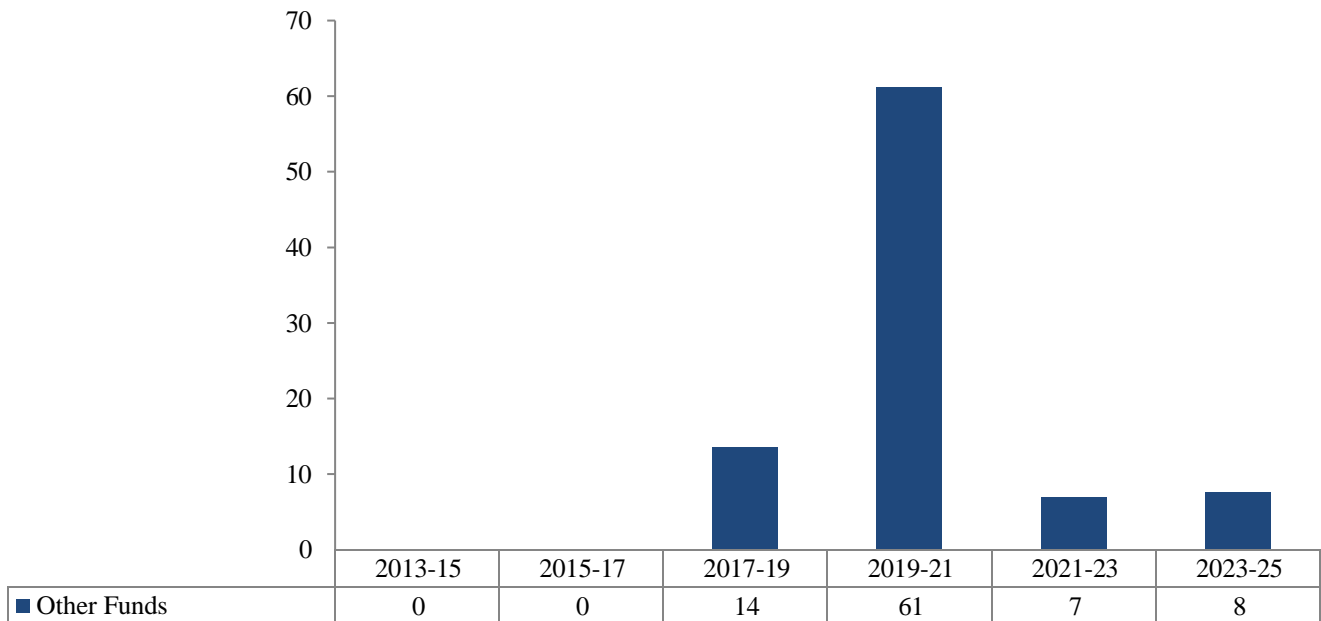
- develops and enforces rules to protect workers from hazardous job conditions;
- oversees benefits to workers who are injured or become ill on the job;
- enforces child labor laws and other labor laws related to workers’ wages, hours, and breaks;
- inspects electrical work, boilers, elevators, and manufactured homes;
- tests and licenses electricians, certifies plumbers, and issues operating permits for amusement rides; and
- registers construction contractors.

Facilities:

- Owned: 5 on Central Office Campus and a laboratory and training facility (Tumwater, 467,000 square feet)
- Leased: 18 (260,000 square feet), multiple locations statewide.

Department of Labor and Industries Capital Budget History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

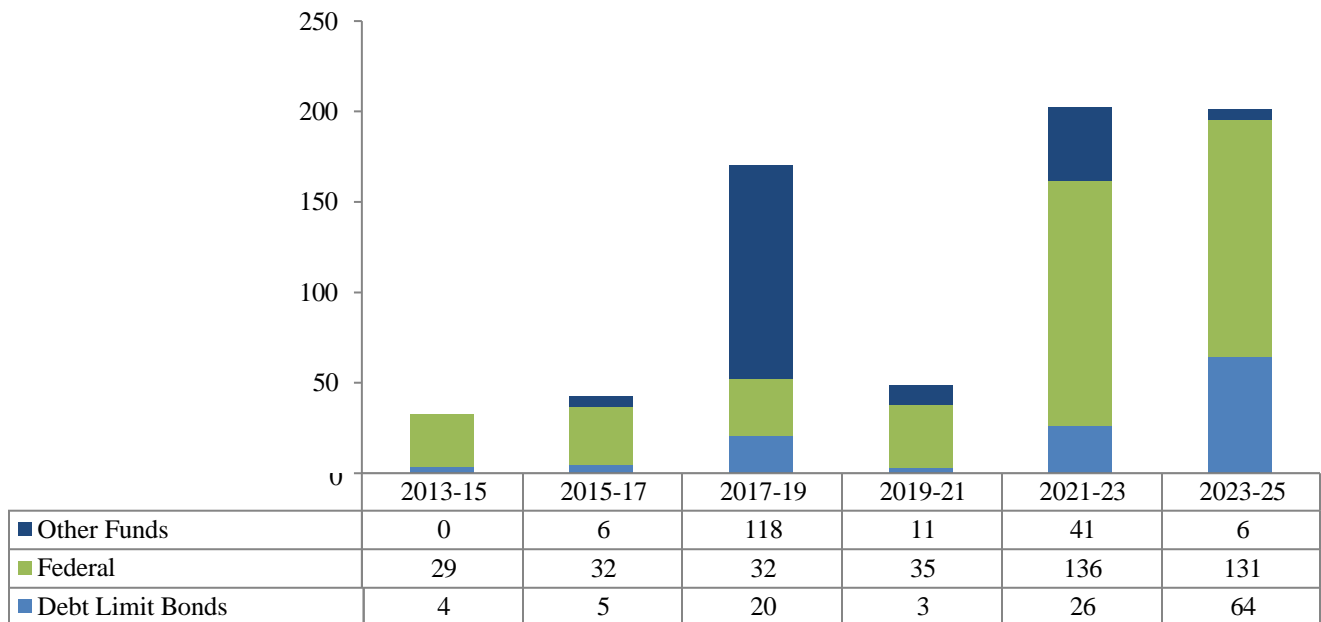
Department of Health

Agency Description: The Department of Health (DOH) was formed in 1989 to promote and protect public health, monitor health care costs, maintain standards for quality health care delivery, and plan activities related to the health of Washington citizens. The DOH operates the Washington Public Health Lab located in Shoreline. The DOH also administers grant and loan programs to improve drinking water systems, including the Drinking Water State Revolving Fund (DWSRF) and the Drinking Water System Repairs and Consolidation program.

Facilities:

- Owned: 1, Public Health Lab (Shoreline, 86,700 square feet)
- Leased: 13 (460,000 square feet)

**Department of Health
Capital Budget History**
(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Note: Historical data, prior to 2017-19, related to the Drinking Water State Revolving Fund is in the Department of Commerce.

Primary Capital Programs Administered by the Department of Health:

Drinking Water State Revolving Fund

The Drinking Water State Revolving Fund (DWSRF) is a federal/state financing partnership that provides low-interest loans to community water systems for capital improvements that increase public health protection and compliance with drinking water regulations. "Community water systems" includes municipal, privately-owned, and tribally owned water systems. Funding for the DWSRF comes from an annual federal capitalization grant, loan repayments and interest, and state matching funds, generally from the Public Works Assistance Account or bonds. The DWSRF funds Drinking Water Construction Loans, Drinking Water Preconstruction Loans, Emergency Loans, and Consolidation Feasibility Study Grants. In the 2023-25 Capital Budget, \$131 million in federal authority and \$3.5 million in state matching funds were appropriated for this program.

Drinking Water System Repairs and Consolidation

These state matching funds are used to help consolidate small drinking water systems with larger, well-run utilities and fix failing water systems by bringing them into compliance with the Safe Drinking Water Act. The funding is targeted to publicly owned Group A and B water systems for the voluntary transfer of the water system. Historically, this grant program has been funded with the State Building Construction Account. In the 2023-25 Capital Budget, \$5.3 million was appropriated for this program.

Public Health Lab

The Public Health Lab (PHL) is a state-owned facility located in Shoreline which provides diagnostic and analytical services for assessment and surveillance of infectious/communicable diseases, genetic conditions, and environmental health concerns. The DOH employs over 200 staff at the PHL, organized into three dedicated labs: Newborn Screening, Environmental Sciences, and Microbiology. The PHL is the only lab in Washington that identifies rare diseases including hantavirus, Ebola, and MERS-CoV. The PHL is one of seven regional antibiotic resistance laboratories in the country. Additionally, it is the only lab in the state that analyzes clinical samples of statewide outbreaks of human illness, analyzes biotoxins and bacteria for shellfish contamination, soil and air samples for radiation events, and identifies agents suspected in terrorist events.

Recent Major Project: Public Health Lab—Environmental Lab Addition (30000379)

- *Funding:* In the 2023-25 Capital Budget, \$53.5 million was newly appropriated and \$4.1 million was reappropriated for this project.
- *Description:* Funding was provided for the construction of a two-story Environmental Laboratory Sciences wing addition at the Public Health Lab. Funding was also reappropriated to complete the design.
- *Update as of Fall 2024:* the project is in the final stages of design and expected to go to bid in October 2024.

Department of Veterans Affairs

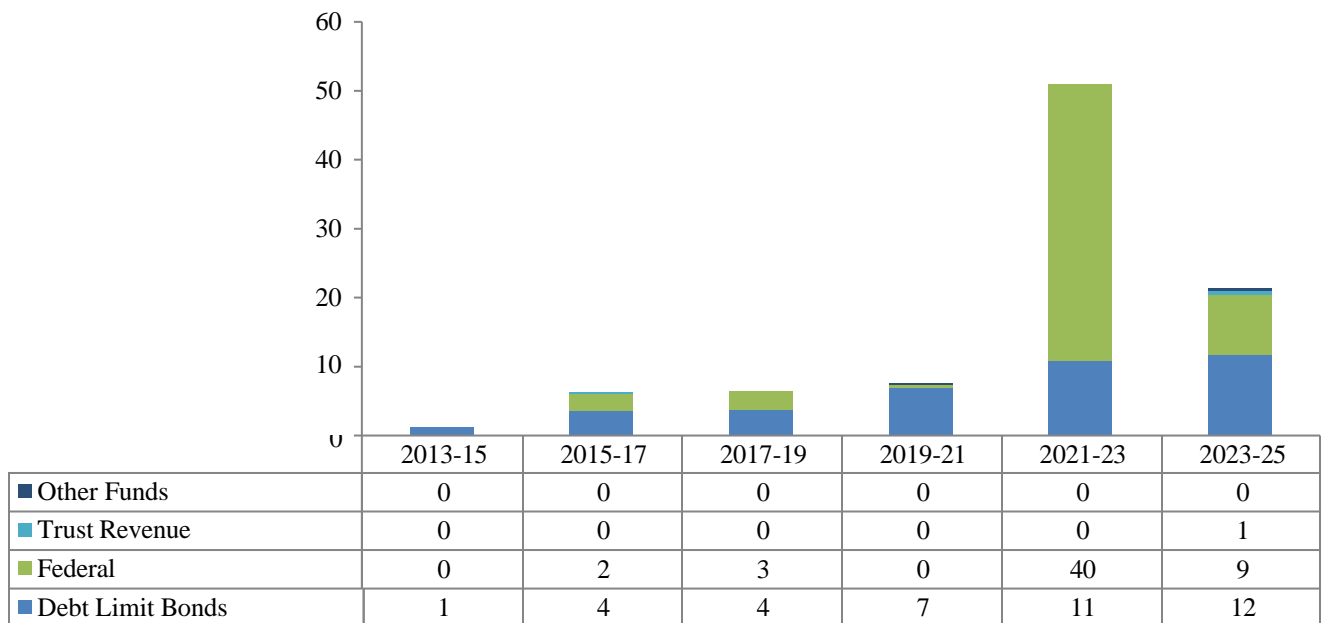
Agency Description: The Department of Veterans Affairs (DVA) provides services to veterans and their families, including medical care, assistance with claims for benefits, estate management, counseling, and financial assistance. The DVA also assists veterans with education, training, and employment. The DVA operates four Veterans Home that provide eligible veterans and their spouses with nursing and adult day care services.

Facilities:

- Owned: 58 (582,000 square feet)
 - Veterans Homes
 - Washington Soldiers Home (Orting, 162,300 square feet): serves 128 residents and includes a skilled nursing facility and a transitional housing program.
 - Washington Veterans Home (Port Orchard, 292,600 square feet): serves 240 residents and includes a skilled nursing facility.
 - Spokane Veterans Home (Spokane, 42,500 square feet): serves 100 residents.
 - Walla Walla Veterans Home (Walla Walla, 76,000 square feet): serves 80 residents.
 - Washington State Veterans Cemetery (Medical Lake, 8,300 square feet)
- Leased: 4 (24,500 square feet)

Department of Veterans Affairs Capital Budget History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

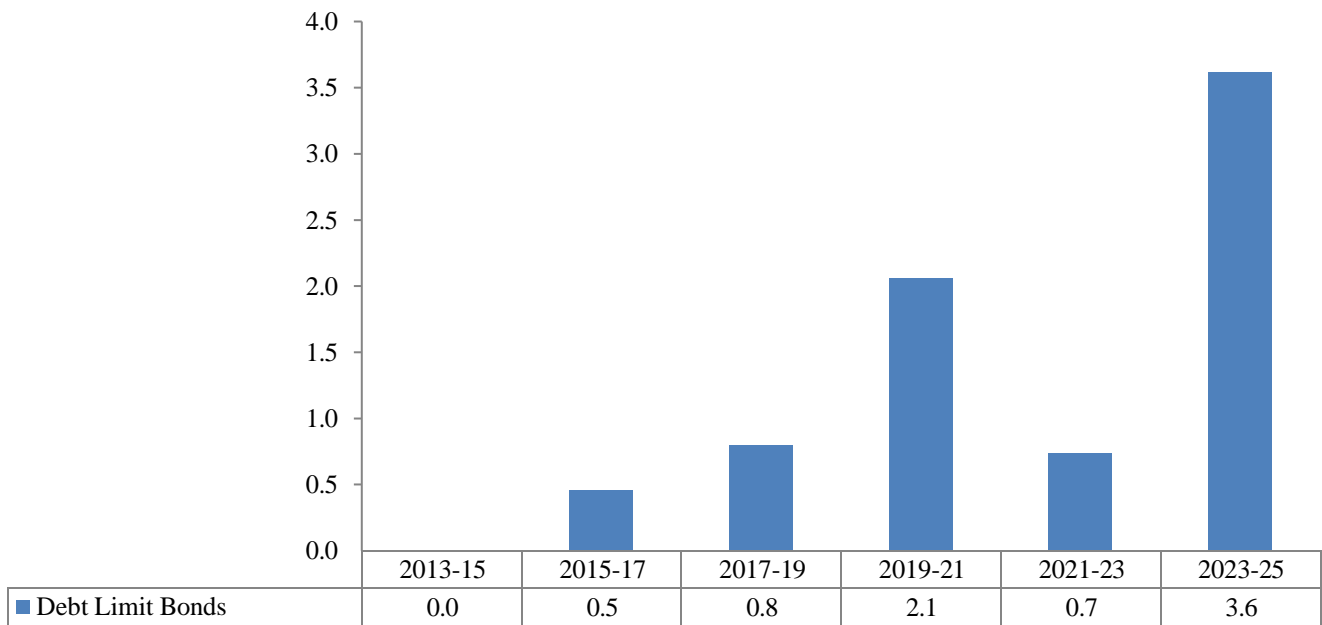
Criminal Justice Training Commission

Agency Description: The Washington State Criminal Justice Training Commission (WSCJTC) establishes standards and provides training for law enforcement, corrections, and for other public safety professionals in Washington. The WSCJTC facilities are located in Burien. The Burien facility includes an indoor firing range.

Facilities:

- Owned: 8 at the Criminal Justice Training Center (Burien, 160,000 square feet)
- Leased: 3 (includes regional facilities in Pasco and Vancouver, 36,000 square feet)

**Criminal Justice Training Commission
Capital Budget History**
(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Department of Corrections

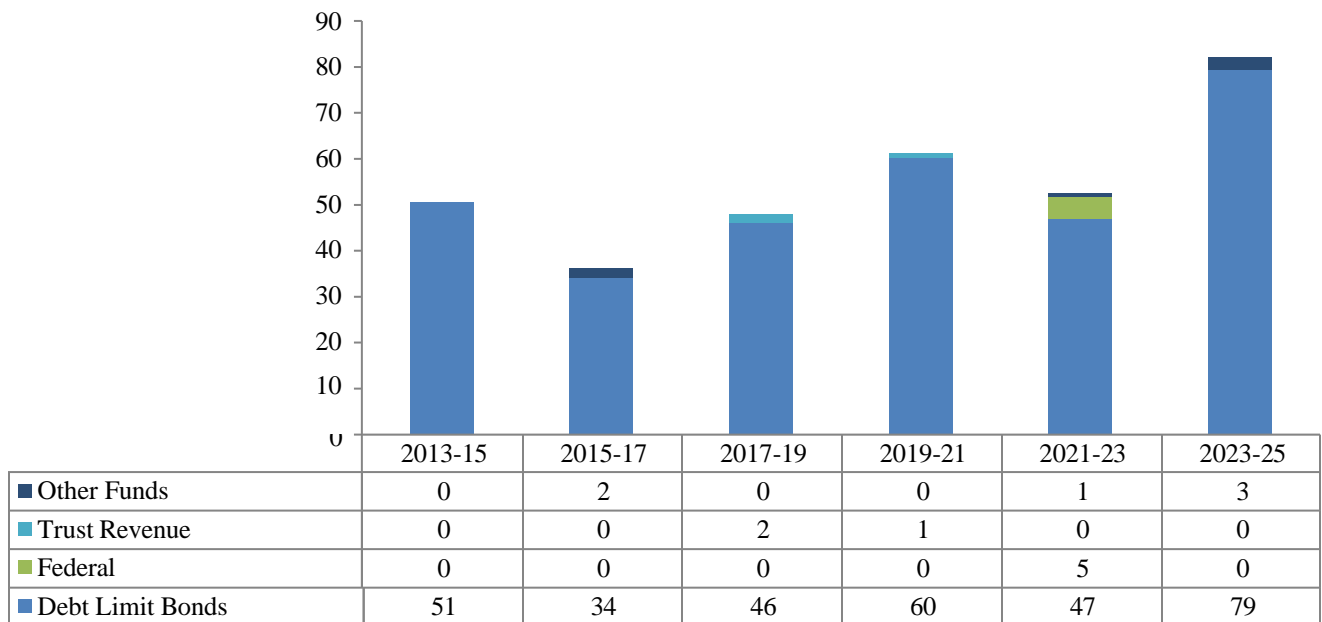
Agency Description: The Department of Corrections (DOC) is responsible for the incarceration of individuals with felony sentences of more than 12 months, and for providing community oversight for certain individuals with felony and gross misdemeanor sentences issued in Washington State Superior Courts. The DOC manages and maintains 12 state correctional institutions, including 8 mixed-custody and 4 minimum-security institutions. These institutions and 11 ReEntry Centers serve as the primary resource for incarcerating and rehabilitating individuals entering the DOC correctional system.

Facilities:

- Owned: 840 (8.6 million square feet)
 - 12 Prison Facilities (8.4 million square feet)
 - 7 ReEntry Centers (225,500 square feet)
- Leased: 67 (541,000 square feet)

Department of Corrections Capital Budget History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Primary Capital Programs Administered by Department of Corrections:

Prison Facilities

All buildings at prison facilities are owned by the state. The facilities are designated by custody and security levels. Custody Levels at the DOC are designated by a point valuation through the classification process. Each Custody Level reflects the degree of supervision under which an individual is monitored.

A facility's security level designation refers to the security level requirements that apply to living units, facility perimeter, and movement controls within the facility. Living units with different custody levels may exist within the same perimeter; however, no living unit may be used for custody level higher than the facility's perimeter. Security level designations are:

- Security Level 5—Maximum Custody
- Security Level 4—Close Custody
- Security Level 3—Medium Custody
- Security Level 2—Minimum Custody
- Security Level 1—Community Based, Partial Confinement

DOC Prison Facilities*

Facility	Location	Custody Levels	Physical Capacity	Operational Capacity
Airway Heights Corrections Center	Spokane	3	2,257	2,172
Cedar Creek Corrections Center	Littlerock	2	497	489
Clallam Bay Corrections Center	Clallam Co.	4,5	1,273	677
Coyote Ridge Corrections Center	Franklin Co.	2,3	2,860	2,531
Larch Corrections Center (<i>In warm closure status</i>)	Clark Co.	2	494	0
Mission Creek Corrections Center	Belfair	2	328	240
Monroe Correctional Complex	Monroe	2,3,4,5	2,888	1,626
Olympic Corrections Center	Jefferson Co.	2	430	272
Stafford Creek Corrections Center	Aberdeen	2,3,5	2,077	1,942
WA Corrections Center	Shelton	3,4,5	1,825	1,742
WA Corrections Center for Women	Gig Harbor	2,3,4	1,004	757
WA State Penitentiary	Walla Walla	2,3,4	3,058	2,356

**Source: Department of Corrections, October 2024.*

ReEntry Centers

The DOC operates 11 ReEntry Centers that provide individuals the opportunity to assimilate back into the community with employment and an approved residence. These facilities are either leased or owned by the state, or the facility is contracted by the DOC from a third-party provider. ReEntry Centers include:

- Ahanum View ReEntry Center (Yakima)
- Bellingham ReEntry Center (Bellingham)
- Brownstone ReEntry Center (Spokane)
- Eleanor Chase ReEntry Center (Spokane)
- Helen Ratcliff ReEntry Center (Seattle)
- Longview ReEntry Center (Longview)
- Olympia ReEntry Center (Olympia)
- Peninsula ReEntry Center (Port Orchard)
- Reynolds ReEntry Center (Seattle)
- Tri-Cities ReEntry Center (Kennewick)
- Wenatchee Valley ReEntry Center (Chelan)

Natural Resources

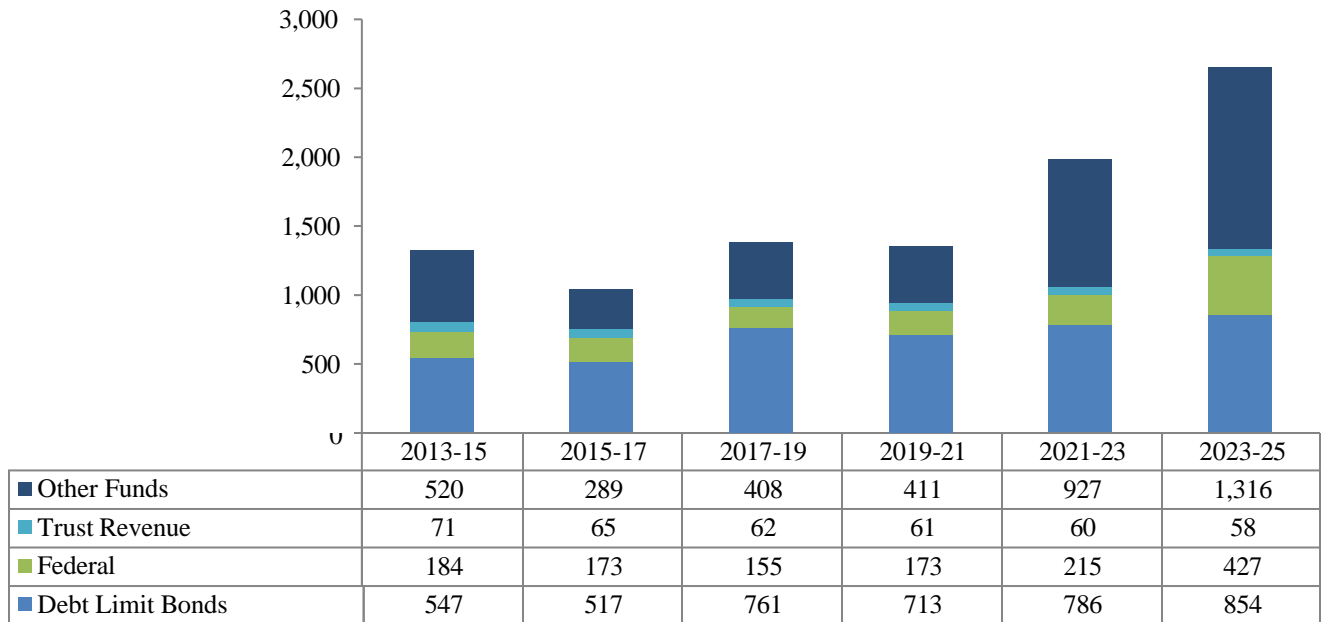


*Wallace Falls State Park.
(Photo Credit: Legislative Support Services)*

Overview of Natural Resources

The Natural Resources functional area of the capital budget includes those agencies responsible for: (1) supporting environmental quality, conservation, and outdoor recreational opportunities; and (2) managing state lands and waters for resource production and habitat protection. Examples of activities funded in the Natural Resources functional area include forest road repair, forest hazard reduction, storm water improvements, water supply development, recreational trail construction, state hatchery rehabilitation, habitat conservation and restoration, flood hazard risk reduction, farmland preservation, and salmon recovery.

**Natural Resources
Capital Budget by Fund Source**
(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Department of Ecology

Agency Description: Established in 1970, the stated mission of the Department of Ecology (Ecology) is "to protect, preserve and enhance Washington's environment for current and future generations." Ecology receives state and federal capital funding to improve water quality; clean up and prevent toxic sites; address air toxics and public health issues; and protect, restore, or expand Ecology-owned facilities.

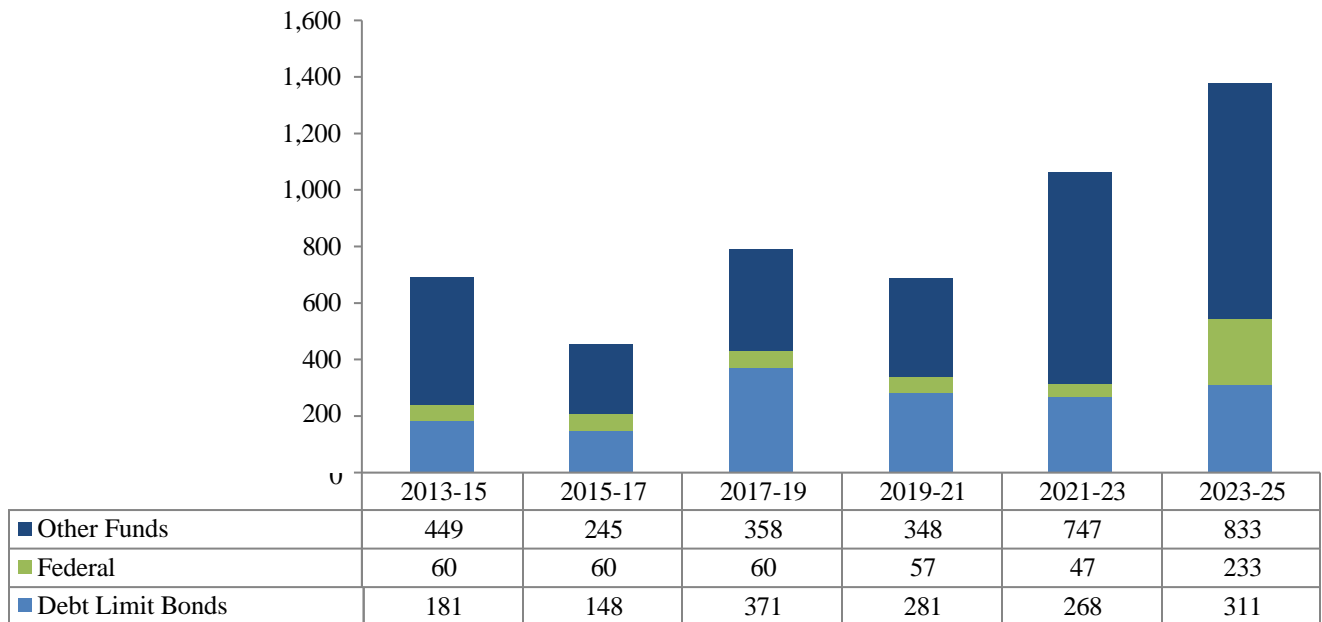
Most capital budget funds appropriated to Ecology are passed through to local governments and community partners through grants, loans, and direct contracts to perform environmental work.

Facilities:

- Owned: 13 (472,300 square feet)
 - Examples: Zosel Dam, Headquarters Building, Eastern Regional Office.
- Leased: 17 (96,614 square feet)

Department of Ecology Capital Budget History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Primary Capital Programs Administered by the Department of Ecology:

The following table summarizes the Department of Ecology-administered grant programs funded in the capital budget.

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Affordable Housing Cleanup Grant Program	Provides funds to public, nonprofit, and private entities intending to remediate contaminated property to develop affordable housing. Categories include: Affordable Housing Planning Grants and Affordable Housing Cleanup Grants.	Cities, Counties, For-Profit Organizations, Nonprofit Organizations, Other, Towns	12.3
Clean Diesel Grants	Clean diesel grant funds can be used to help purchase and install clean diesel technology on public and privately-owned heavy-duty vehicles and equipment. The program's primary objective is to electrify school buses, but the program will also support idle reduction and other diesel equipment engine replacements.	Cities, Counties, Other, Port Districts, Public Utility Districts, State Agencies, School Districts, Tribes	15.6
Coastal Wetlands Federal Funds	The National Coastal Wetland Conservation grant program provides grants for up to \$1 million to coastal and Great Lakes states to protect, restore, and enhance coastal wetland ecosystems and associated uplands. Sub-grantees, such as public benefit nonprofit entities, local, and tribal governments can hold the acquired land and apply for funding through Ecology or another state agency.	State Agencies	14.0
Floodplains by Design	Floodplains by Design is a partnership between local, state, federal, and private organizations to coordinate integrated management of floodplain areas throughout Washington. Floodplains by Design works to accelerate integrated efforts to reduce flood risks and restore habitat along Washington's major river corridors. Its goal is to improve the resiliency of floodplains in order	Cities, Counties, Nonprofit Organizations, Other, Port Districts, Tribes	67.4

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
	to protect local communities and the health of the environment.		
Freshwater Algae Grant Program	Freshwater Algae Grants are provided to communities to monitor and remove nuisance algae and manage excessive freshwater algal blooms, with priority for the treatment of lakes in which harmful algal blooms have occurred within the past three years. Ecology issues between three and five grants each year.	Cities, Counties, Special Purpose Districts, State Agencies, Tribes	0.7
Freshwater Aquatic Invasive Plants Grant Program	Freshwater Aquatic Invasive Plants Grants are awarded to communities to help control aquatic invasive plants. Eligible activities include development of integrated aquatic vegetation management plans, plant control activities, education and information projects, aquatic plant mapping and inventory, pilot and demonstration projects, evaluation of implementation effectiveness, and follow-up monitoring.	Cities, Counties, Special Purpose Districts, State Agencies, Tribes	1.7
Improving Air Quality in Overburdened Communities Initiative	Grants to reduce criteria air pollutant emissions in overburdened communities highly impacted by air pollution.	Other	21.4
Landfill Methane Capture	Grants for owners and operators of municipal solid waste landfills to comply with methane emission reduction requirements established in RCW 70A.540.	Other	15.0
Product Replacement Program	The Product Replacement Program offers financial incentives to Washington businesses to remove or replace consumer products containing toxic chemicals through technology and infrastructure upgrades, best management practices, disposal programs, and the use of safer chemicals. Currently, programs are	Cities, Counties, For-Profit Organizations, Nonprofit Organizations, Other, Towns	6.5

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
	available for auto degreasers, cosmetics, firefighting foam, certain dry cleaning chemicals, PCB lights, recreational foam, and thermal receipts.		
Reducing Toxic Woodstove Emissions	Ecology provides grants to local clean air agencies to assist communities that violate or are close to violating federal fine particle pollution standards to remove uncertified wood-burning home heating devices with cleaner home heating options. Priority will be given to communities at high risk of violating national ambient air quality standards to prevent violations and avoid significant economic, environmental, and public health consequences.	Other	4.1
Remedial Action Grants and Loans	Provides funds to local governments to clean up contaminated areas. Categories are: integrated planning grants, oversight remedial action grants, independent remedial action grants, area-wide groundwater investigation grants, and safe drinking water action grants. Local governments can apply for a loan or grant to help clean up hazardous waste sites supervised by the Department of Ecology or the US Environmental Protection Agency under a legal order or decree.	Cities, Counties, Other, Port Districts	115.1
Stormwater Public Private Partnerships	Grants to develop public-private partnerships for stormwater retrofit projects that treat polluted stormwater.	Other	3.0
Streamflow Restoration Implementation Grants	Provides funding for projects that improve streamflow and instream resources. Priority is given to watersheds and areas addressed in the law and basins with Endangered Species Act-listed fish species.	Cities, Counties, Nonprofit Organizations, Special Purpose Districts, State Agencies, Tribes	40.0

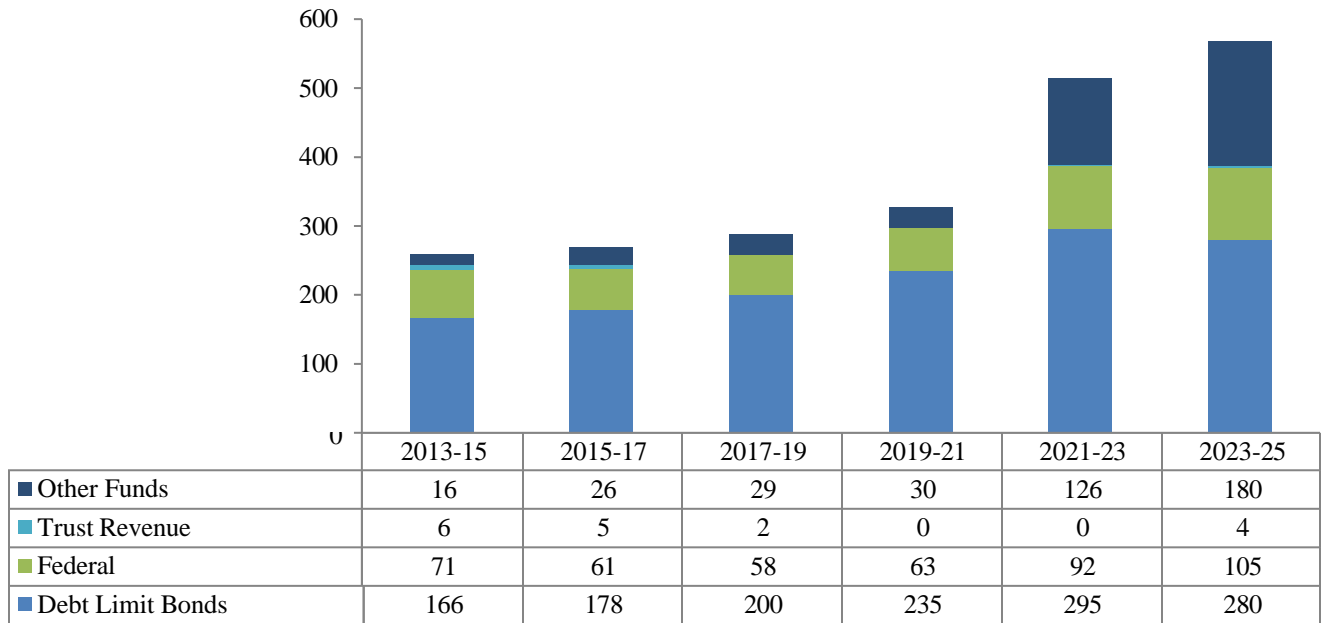
Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Waste Tire Pile Cleanup and Prevention	The tire program provides funding to local governments to prevent and remove waste tire piles, and the enforcement and education on tire storage and hauling regulation.	Cities, Counties, Port Districts, Public Utility Districts, Special Purpose Districts, Towns	1.0
Water Quality Combined Funding Program	A competitive application process providing low-interest loans and grants for projects that protect and improve water quality in Washington. These projects are wastewater treatment facilities, stormwater, onsite sewage systems, or projects to reduce nonpoint sources of water pollution. Applications are accepted annually between August and October.	Cities, Counties, Conservation Districts, Nonprofit Organizations, Special Purpose Districts, Towns, Tribes	794.7

Recreation and Conservation Office

Agency Description: The Recreation and Conservation Office (RCO) manages grant programs that create outdoor recreation opportunities, protect wildlife habitat, conserve working farms and forests, restore and develop state lands, assist salmon recovery, and coordinate the state's response to invasive species. The RCO supports the Recreation and Conservation Funding Board, the Salmon Recovery Funding Board, the Invasive Species Council, the Governor's Salmon Recovery Office, and the Habitat and Recreation Lands Coordinating Group.

Facilities: The RCO is housed in the Natural Resources Building on the Capitol Campus in Olympia, which is owned and managed by the Department of Enterprise Services.

**Recreation and Conservation Office
Capital Budget History**
(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Primary Capital Programs Administered by the Recreation and Conservation Office:

The following table summarizes the Recreation and Conservation Office -administered grant programs funded in the capital budget.

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Aquatic Lands Enhancement Account	Competitive grants for the purchase, improvement, or protection of aquatic lands for public purposes, and for providing and improving access to such lands.	Cities, Counties, State Agencies, Towns, Tribes	5.9
Boating Facilities Program	Competitive grants for the acquisition, development, and planning of projects for motorized boating facilities, including launching ramps, guest moorage, and support facilities on freshwater and saltwater. Funding is divided equally between state and local projects.	Cities, Counties, Port Districts, Public Utility Districts, Special Purpose Districts, State Agencies, Towns, Tribes	13.8
Boating Infrastructure Grant Program	Competitive federal grants to develop and renovate recreational guest boating facilities targeting boats 26 feet and longer. Grants may also be used for boater education.	Cities, Counties, For-Profit Organizations, Nonprofit Organizations, Port Districts, Public Utility Districts, Special Purpose Districts, State Agencies, Towns, Tribes	5.0
Brian Abbott Fish Barrier Removal Board	Competitive grants to remove barriers to fish passage with the goal of restoring salmon and steelhead to healthy and harvestable levels. The grant program is administered jointly by the Washington Department of Fish and Wildlife and the Recreation and Conservation Office.	Cities, Counties, Landowners, Nonprofit Organizations, Other, Port Districts, Special Purpose Districts, State Agencies, School	70.6

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
		Districts, Towns, Tribes	
Community Forest Grant Program	Competitive grants to help communities protect and enhance their surrounding forest lands through land acquisition, restoration, and development.	Cities, Counties, Nonprofit Organizations, Other, Port Districts, Special Purpose Districts, State Agencies, Towns, Tribes	13.6
Community Outdoor Athletic Facilities Program	The Community Outdoor Athletic Facilities (COAF) program provides grants to build, expand, or renovate outdoor athletic facilities. The COAF program is focused on helping support athletic experiences in communities that lack recreational opportunities, have underserved populations, and possess limited financial capacity.	Cities, Counties, Nonprofit Organizations, Other, Port Districts, Special Purpose Districts, School Districts, Towns, Tribes	12.5
Estuary and Salmon Restoration Program	Competitive grants to protect and restore Puget Sound beaches, bays, and estuaries. The grants focus on strategic, ecosystem restoration projects that align with regional recovery efforts in the Puget Sound Action Agenda.	Cities, Counties, For-Profit Organizations, Federal Agencies, Higher Education Institutions, Nonprofit Organizations, Other, State Agencies, Towns, Tribes	25.4
Family Forest Fish Passage Program	Grants for small forest landowners to repair or remove fish passage barriers on their property. Projects are prioritized based on: (a) the amount and quality of habitat opened; (b) the number of fish species benefited; (c) other upstream and downstream barriers; and (d) cost. The program	Landowners	7.8

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
	is managed jointly with the Department of Natural Resources.		
Firearms and Archery Range Recreation Program	Competitive grants to acquire, develop, and renovate public and private nonprofit firearm range and archery training/practice facilities.	Cities, Counties, Nonprofit Organizations, Other, Special Purpose Districts, State Agencies, School Districts, Towns	0.8
Land and Water Conservation Fund	Competitive federal grants for projects that acquire, preserve, develop, and provide access to outdoor recreation resources, including parks, trails, and wildlife lands.	Cities, Counties, Other, Special Purpose Districts, State Agencies, School Districts, Towns, Tribes	20.0
Non-Highway Off-Road Vehicle Account	Competitive grants that provide funding to develop and manage recreation opportunities for such activities as cross-country skiing, hiking, horseback riding, mountain bicycling, hunting, fishing, sightseeing, motorcycling, and riding all-terrain and four-wheel drive vehicles. A portion of the funding also is available for education and enforcement programs that encourage environmentally responsible use of the outdoors and for helping to minimize conflict between visitors.	Cities, Counties, Federal Agencies, Nonprofit Organizations, Special Purpose Districts, State Agencies, Towns, Tribes	12.1
Puget Sound Acquisition and Restoration	Competitive grants to help implement habitat protection and restoration priorities for salmon recovery in Puget Sound. The program is co-managed with the Puget Sound Partnership. Grants are awarded in conjunction with the Salmon Recovery Funding Board process.	Cities, Counties, Landowners, Nonprofit Organizations, Other, Port Districts, Special Purpose Districts, State Agencies, School	59.2

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
		Districts, Towns, Tribes	
Recreation Access/Equity	Planning for Recreation Access grants are for planning projects in communities that lack adequate access to outdoor recreation opportunities. The program's focus is on diverse urban neighborhoods, small rural communities, and those that are less experienced with the Recreation and Conservation Office grant process.	Cities, Counties, Nonprofit Organizations, Port Districts, Special Purpose Districts, Towns, Tribes	5.0
Recreational Trails Program	Competitive federal grants to rehabilitate and maintain recreational trails and facilities that provide a backcountry experience for motorized and nonmotorized uses. A portion of the funding also is available for education programs that encourage environmentally responsible use of the outdoors.	Cities, Counties, Federal Agencies, Nonprofit Organizations, Port Districts, Public Utility Districts, Special Purpose Districts, State Agencies, School Districts, Tribes	5.0
Salmon Recovery Grants	Competitive grants to protect and restore salmon habitat. All project applications must first go through the local lead entity group. Grants are awarded in conjunction with the Puget Sound Acquisition and Restoration Program.	Cities, Counties, Conservation Districts, For-Profit Organizations, Federal Agencies, Landowners, Nonprofit Organizations, Other, Port Districts, Public Utility Districts, Special Purpose Districts, State Agencies, School Districts, Towns, Tribes	120.0

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Washington Coastal Restoration Initiative Grants	Competitive grants to restore aquatic and terrestrial habitat on the Washington coast, which serves to protect existing salmon populations and provide jobs for local communities.	Cities, Counties, Conservation Districts, Nonprofit Organizations, Other, Port Districts, Special Purpose Districts, State Agencies, Tribes	18.1
Washington Wildlife and Recreation Program	Competitive grants that provide funding for acquisition, renovation, and development of state lands, local and state parks, water access sites, trails, critical wildlife habitat, natural areas, urban wildlife habitat, farmland and forestland preservation, and protection of riparian areas.	Cities, Counties, Conservation Districts, Nonprofit Organizations, Other, Port Districts, Special Purpose Districts, State Agencies, School Districts, Towns, Tribes	120.0
Youth Athletic Facilities	Competitive grants to acquire, develop, and improve outdoor athletic facilities, such as ball fields, courts, swimming pools, mountain bike tracks, and skate parks that serve youth through the age of 18.	Cities, Counties, Nonprofit Organizations, Special Purpose Districts, Towns, Tribes	10.4



*Chinook Salmon at Tumwater Falls
(Photo Credit: Legislative Support Services)*

State Parks and Recreation Commission

Agency Description: The Washington State Parks and Recreation Commission (Commission) consists of a board of seven volunteer citizens who are appointed by the Governor and serve for staggered, six-year terms, setting public policy and guiding the agency. The Commission currently manages 124 state parks that host over 40 million visits per year. The park system includes marine parks, heritage sites, historic parks, day-use facilities, interpretive centers, retreat centers, ocean beaches, and hundreds of miles of trails.

Facilities: The Commission is headquartered in a leased facility in Tumwater.

- Owned: 2,790 facilities (3.2 million square feet)
 - Examples: Comfort stations and toilet facilities, equipment storage, cabins, cottages, shelters, lighthouses, kitchen and mess facilities, historic buildings, interpretive centers, office space, garages, and utility buildings.
- Leased: 3 (60,357 square feet)
 - Examples: Administrative buildings.

Land:

- Owned: 110,400 upland acres
- Leased: 12,000 upland acres

Capital Budget Focus

In addition to the development of new park facilities, the Commission's capital budget focuses on the improvement and upkeep of existing assets, including:

- 86 parks with reservable facilities;
- 19 marine parks, 11 historical parks, and 17 heritage sites;
- 6,186 traditional campsites and 67 group camps;
- 67 yurts, platform tents, tee pees, and Adirondacks;
- 2,790 owned facilities (including 770 designated historic buildings);
- about 60 miles of ocean beaches;
- approximately 15,000 acres of natural habitat preserving threatened, endangered, and rare plants and animals;
- 808 miles of in-park hiking trails and 513 miles of long-distance trails;
- over 3,600 miles of groomed snowmobile and cross-country skiing managed trails; and
- over 40 parks with boat launch facilities (87 boat launches total).

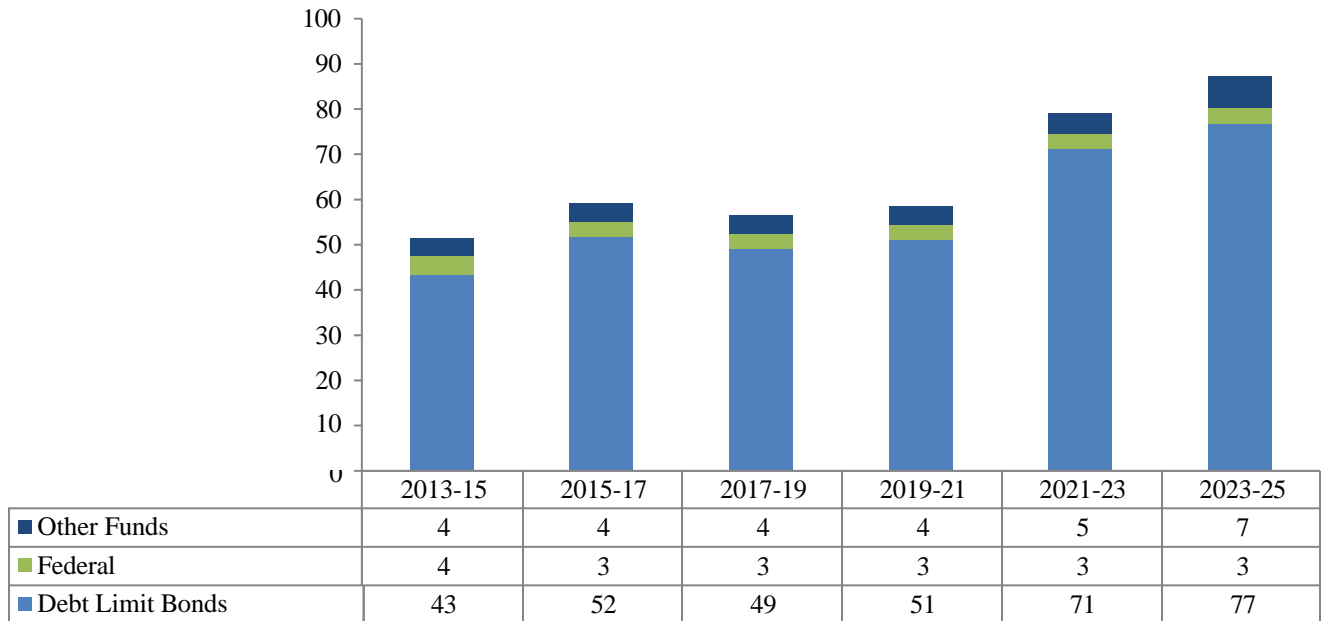
Capital Program Administered by the Commission:

The following table summarizes the Commission-administered grant programs funded in the capital budget.

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Statewide Boat Pump-Out Program	The Clean Vessel Act Grant Program offers grants for construction, renovation, operation, and maintenance of publicly accessible marine sewage disposal facilities for use by recreational boats. Projects typically funded include construction or renovation of pump-outs, dump stations, floating restrooms, and pump-out boats. Financial assistance is offered for ongoing facility operation and maintenance costs and grant match reduction. Grants are awarded by State Parks, subject to federal approval.	Cities, Counties, For-Profit Organizations, Nonprofit Organizations, Port Districts, State Agencies, Towns, Tribes	3.6

**State Parks and Recreation Commission
Capital Budget History**

(Dollars in Millions)

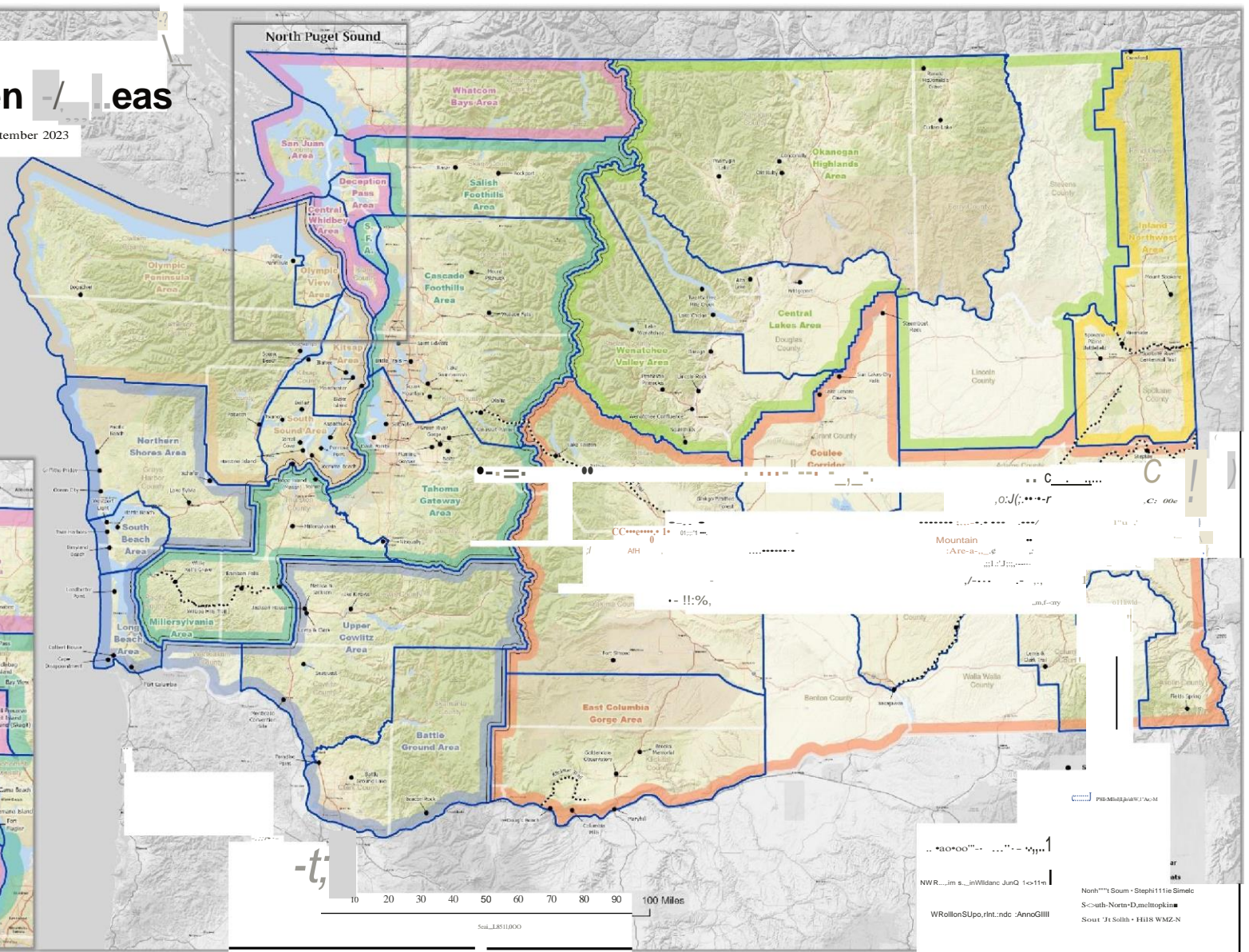
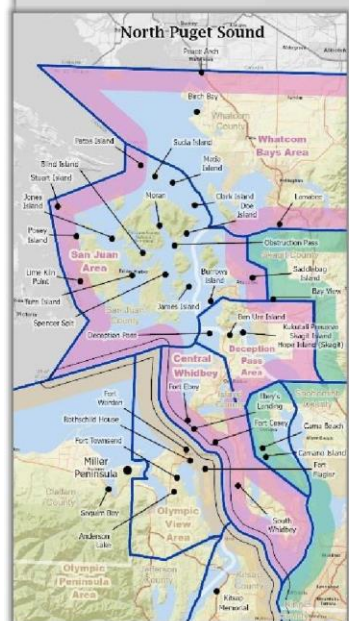


Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Curr Management Areas

Published September 2023

Source: State Parks



State Conservation Commission

Agency Description: The State Conservation Commission (SCC), established in 1939, works with 45 conservation districts statewide to help landowners implement "incentive-based practices to protect Washington's natural resources while maintaining viable agricultural production."

Facilities: The SCC is headquartered in Lacey at the Department of Ecology's headquarters building. In addition, the SCC occupies 1,125 square feet of leased space in two office buildings in Spokane Valley and Ellensburg.

Primary Capital Programs Administered by the SCC:

The following table summarizes the SCC-administered grant programs funded in the capital budget.

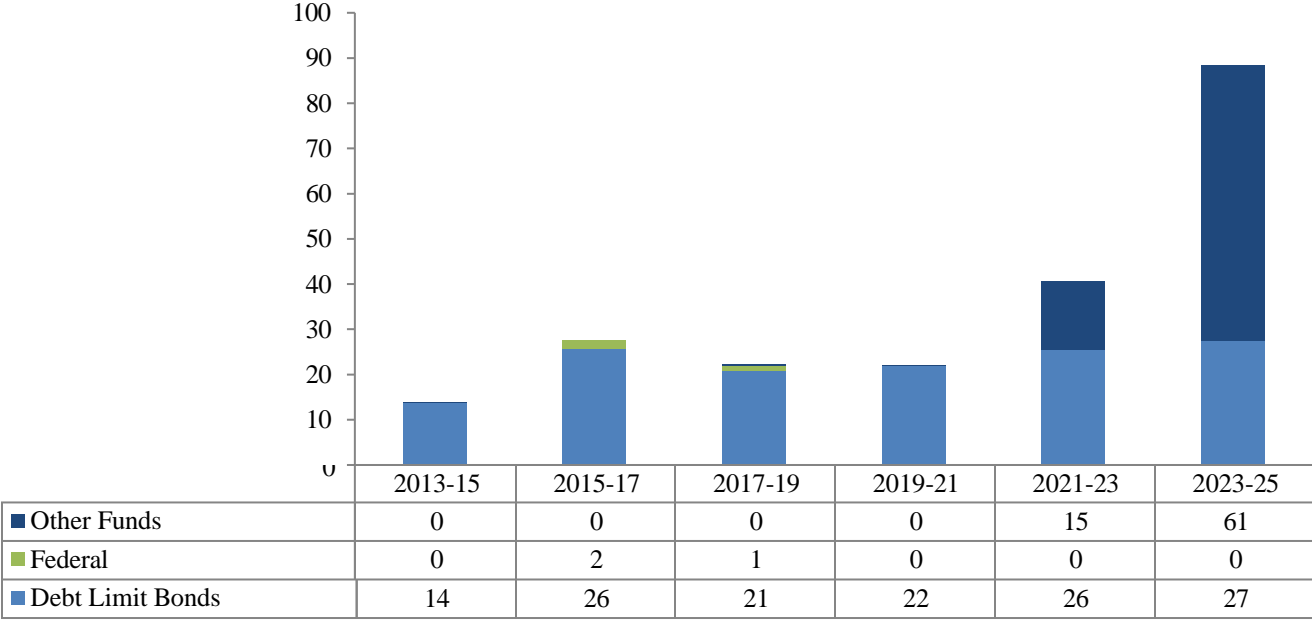
Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Anaerobic Digester Development	Grants to dairy farm owners for cost share agreements to develop anaerobic digesters.	Other	24.9
Conservation Reserve Enhancement Program	Federal and state funded grants that restore streamside habitat for salmon and protect habitat for 10-15 years. The grant program supports pre-project design and management, technical assistance during project implementation, and provides oversight and maintenance for five years after planting. Applications are made through the USDA Farm Service Agency with technical assistance to applications from local conservation districts.	Landowners	15.0
Farmland Protection and Land Access	Grants for conservation entities to purchase agricultural conservation easements on properties secured through a Farm PAI loan. This program permanently protects land at imminent risk of conversion and seeks to facilitate land access for underserved farmers and ranchers.	Nonprofit Organizations	4.0

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Improve Shellfish Growing Areas	Grants to conservation districts to implement voluntary natural resource enhancement projects on private land to improve water quality in shellfish growing areas and to address ocean acidification. Funding also supports pre-project design and management, including engineering, cultural resource review, and technical assistance during project implementation.	Conservation Districts	3.5
Match for Federal Regional Conservation Partnership Program RCPP	Grants for matching federal funding for RCPP projects. The RCPP funds projects to increase the restoration and sustainable use of soil, water, wildlife, and related natural resources on regional or watershed scales.	Conservation Districts	3.0
Natural Resource Investments	Grants to private landowners to voluntarily work with conservation districts to develop and implement best management practices that address natural resource problems. The SCC directs program funds to conservation districts, which then use this funding to assist participating landowners.	Landowners	4.0
Voluntary Stewardship Program	A watershed-focused, incentive-based voluntary collaboration to protect critical areas and promote agricultural viability as an alternative to critical areas regulations under the Growth Management Act. Participating counties may manage the implementation and application process or contract for program implementation with a technical service provider (TSP). In 25 of 27 counties the TSP is a conservation district. The program provides implementation and monitoring funding to counties and grants.	Counties, Landowners	3.0
Shrubsteppe Restoration &	Grants to assist landowners in the shrubsteppe to implement wildlife-friendly fencing practices	Landowners, Other	1.5

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Resiliency Initiative	and improve the habitats for endangered and threatened wildlife species.		
Water Irrigation Efficiencies Program	Grants to increase the efficiency of on-farm water application and conveyance systems. The saved water is left in streams and aquifers for other uses and users including fish species listed as endangered or threatened. In the 2025-27 biennium, the SCC must give preference to projects located in the 16 fish critical basins, other water-short or drought and climate change vulnerable basins, and basins with significant water resource and instream flow issues.	Conservation Districts, Landowners	2.5

State Conservation Commission Capital Budget History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Department of Fish and Wildlife

Agency Description: The Department of Fish and Wildlife (DFW) protects and enhances fish and wildlife and their habitats, and provides sustainable recreational and commercial opportunities.

Facilities: The DFW is headquartered in the Natural Resources Building on the Capitol Campus in Olympia, which is owned and managed by the Department of Enterprise Services.

- Owned: 1,199 (1.4 million square feet)
 - Examples: Office space, laboratories, hatcheries and hatchery-related facilities, equipment and feed storage, utility buildings, housing and bunkhouses, garages, animal rearing facilities.
- Leased: 104 (493,223square feet)
 - Examples: Office space, hatcheries and hatchery-related facilities, storage, utility buildings, and laboratory.

The DFW maintains six regional offices (Spokane/Eastern, Ephrata/North Central, Yakima/South Central, Mill Creek/North Puget Sound, Ridgefield/Southwest, and Montesano/Coastal). In total, the DFW operates approximately 80 hatchery facilities across the state, the majority of which are dedicated to producing salmon and/or steelhead. There are also 51 tribal hatcheries and 12 federal hatcheries that produce salmon and steelhead for harvest. (Please see a map of the DFW fish rearing facilities at the end of this section.)

Land:

- Owned: 693,400 acres
- Leased or managed: 392,000 acres

Capital Budget Focus: The DFW's capital budget projects typically focus on:

- renovating and constructing hatchery facilities and infrastructure such as intakes, adult handling facilities, bridges, pollution abatement ponds, gravity pipelines, raceways, and staff residences;
- correcting fish passage barriers, including fishway renovation, within the area of the *United States v. Washington* court case;
- developing or improving access to recreational sites such as boat launches, additional parking, and new restroom facilities;
- focused habitat acquisition and restoration;
- improvements for forest health, including fuels reduction;
- repairing DFW-owned dams and dikes;
- removing dilapidated structures;
- constructing new office and lab space; and
- authority to use federal, private, local, and special wildlife account monies for dedicated conservation efforts and construction projects that restore and protect fish and wildlife habitat.

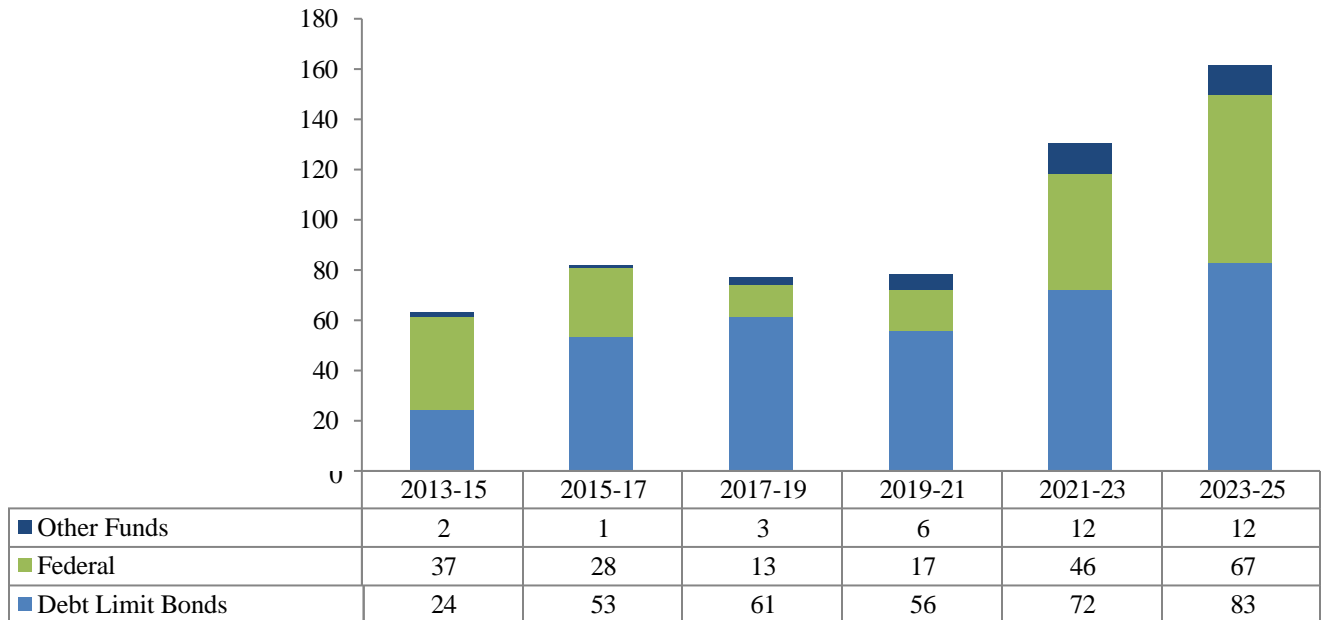
Capital Program Administered by the DFW:

The following table summarizes the DFW-administered grant programs funded in the capital budget.

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Cooperative Elk and Deer Damage Fencing	The Department of Fish and Wildlife provides fencing materials to eligible commercial agricultural producers on a first come, first served basis to reduce crop and property damages from elk and deer. The Department provides fencing materials as a cost-share (50/50), and landowners are responsible for installation costs. Agricultural producers experiencing elk or deer commercial crop damage may contact the DFW for consultation regarding program eligibility.	Commercial Ag Producers	1.4

**Department of Fish and Wildlife
Capital Budget History**

(Dollars in Millions)

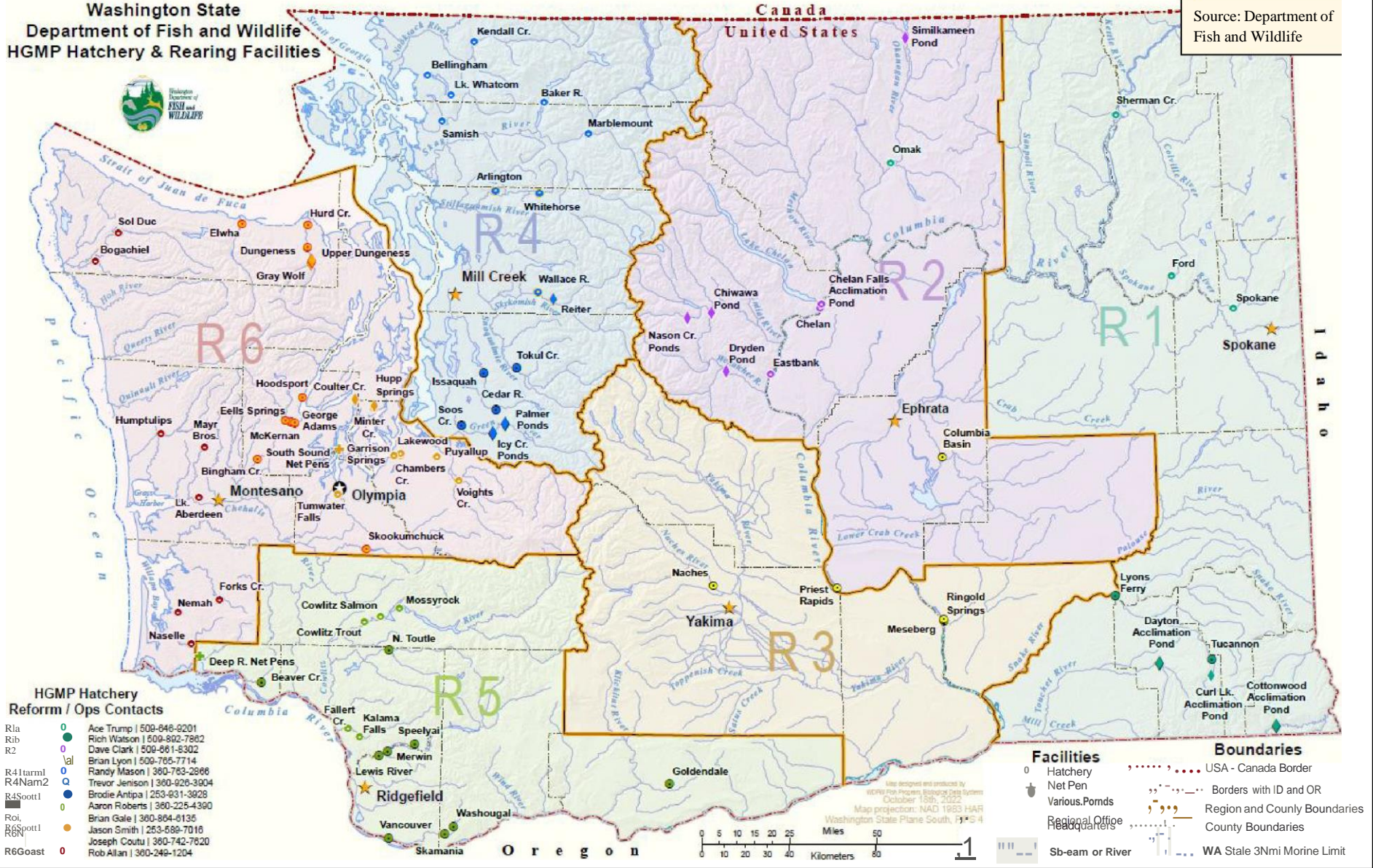


Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Washington State
Department of Fish and Wildlife
HGMP Hatchery & Rearing Facilities



Source: Department of Fish and Wildlife



HGMP Hatchery Reform / Ops Contacts

R1a	●	Ace Trump 509-846-9201
R1b	○	Rich Watson 509-892-7882
R2	○	Dave Clark 509-861-8302
	○	Brian Lyon 509-765-7714
	○	Randy Mason 360-763-2886
R41tarm1	○	Trevor Jenison 360-926-3904
R4Nam2	○	Brodie Antipa 253-831-3928
R4Soot1	○	Aaron Roberts 360-225-4390
	○	Brian Gale 360-864-8136
R6S	○	Jason Smith 253-588-7016
R6N	○	Joseph Coutu 360-742-7620
R6Goast	○	Rob Allan 360-249-1204

Facilities

- Hatchery
- Net Pen
- Various Ponds
- Regional Office
- Headquarters
- Sb-eam or River

Boundaries

- USA - Canada Border
- Borders with ID and OR
- Region and County Boundaries
- County Boundaries
- WA State 3Nmi Morine Limit

Department of Natural Resources

Agency Description: The Department of Natural Resources (DNR) manages state-trust forest, agricultural, range, and commercial properties that earn income to fund schools, universities, capitol campus buildings, and other state institutions. Earnings also help fund local services in many counties. The DNR also manages aquatic lands along the shoreline and beneath the waters of the state.

Facilities: The DNR is headquartered in the Natural Resources Building in Olympia, which is owned and managed by the Department of Enterprise Services.

- Owned: 592 (1.9 million square feet)
 - Examples: equipment, seed, and fuel storage, office space, fire stations, communications sites, crew quarters, and recreation-related facilities.
- Leased: 37 (136,000 square feet)
 - Examples: fire stations, communications sites, office space, and facilities related to aviation.

The DNR maintains six upland regional offices (Forks/Olympic, Castle Rock/Pacific Cascade, Enumclaw/South Puget Sound, Ellensburg/Southeast, Colville/Northeast, and Sedro-Woolley/Northwest) and three aquatic district offices (Sedro-Woolley/Orca Straits, Enumclaw/Shoreline, and Castle Rock/Rivers).

Land:

- State Trust Land: 3.0 million acres
- Aquatic Lands: 2.6 million acres under beds of navigable waters, tidelands, shorelands, and harbor areas
- Natural Area Preserve Lands: about 39 thousand acres
- Natural Resources Conservation Area Lands: about 125 thousand acres

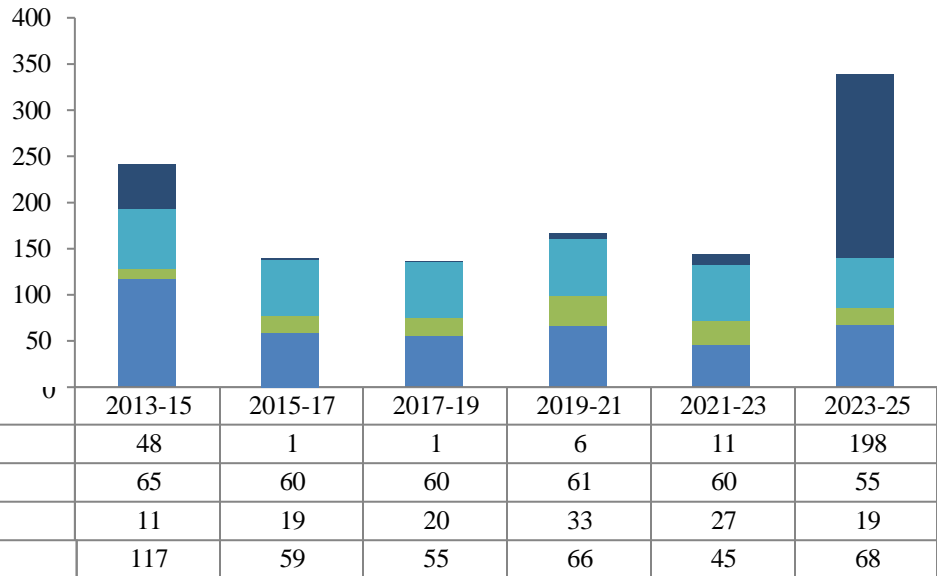
Primary Capital Programs Administered by the DNR:

The following table summarizes the DNR-administered grant programs funded in the capital budget.

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Forest Riparian Easement Program (FREP)	The FREP compensates eligible small forest landowners in exchange for a 50-year easement on "qualifying timber." This is the timber the landowner is required to leave unharvested as a result of forest practices rules protecting Washington's forests and fish. Landowners cannot cut or remove the qualifying timber during the easement period. The landowner still owns the property and retains full access, but has "leased" the trees and their associated riparian function to the state.	Landowners	10.0
Rivers and Habitat Open Space Program	The RHOSP allows for purchase of conservation easements from landowners with forested land located in a channel-migration zone (CMZ) and/or critical habitat for state-listed threatened or endangered species. The two types of eligible land: 1) forestland habitat critical for state-listed threatened or endangered species (critical habitat), and 2) river habitat called unconfined CMZ, which are islands of timber within an actively shifting river channel.	Landowners	5.0

Department of Natural Resources Capital Budget History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.



*Department of Natural Resources-managed Trust Lands, Capitol State Forest
(Photo Credit: Legislative Support Services)*

Department of Agriculture

Agency Description: The major goals of the Washington State Department of Agriculture (WSDA) are assuring the safety of the state's food supply; ensuring the safe and legal distribution, use, and disposal of pesticides and fertilizers; protecting the public, natural resources, and the agriculture industry from certain plant and animal pests and diseases; and facilitating domestic and international movement of agricultural products.

Facilities: The WSDA is headquartered in the Natural Resources Building in Olympia, which is owned and managed by the Department of Enterprise Services.

- Owned: 11 at Moxee quarantine station (12,900 square feet)
- Leased: 38 (130,800 square feet)
 - Examples: inspection facilities, laboratories, grain elevators, an animal services warehouse, and various types of storage.

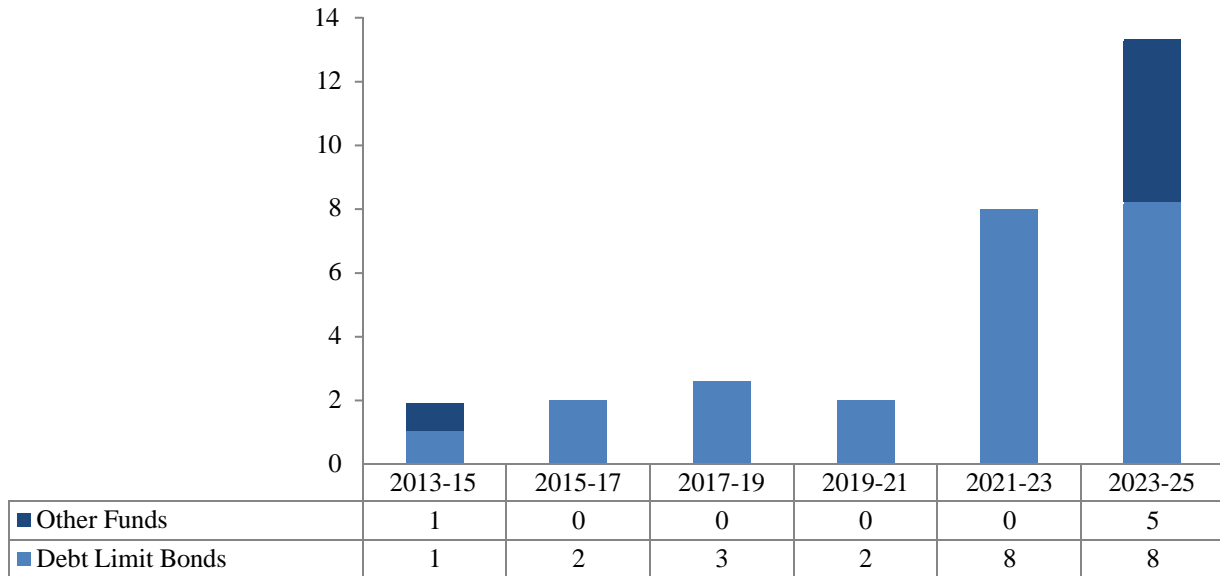
Capital Programs Administered by WSDA:

The following table summarizes the WSDA-administered grant programs funded in the capital budget.

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Safety and Access at Fairs	Grants for local governments and nonprofit organizations to support capital projects that make health or safety improvements to agricultural fairgrounds or fair facilities in order to benefit participants and the fair-going public.	Cities, Counties, Nonprofit Organizations, Towns	8.0

Department of Agriculture Capital Budget History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Washington Pollution Liability Insurance Program

Agency Description: The Pollution Liability Insurance Agency (PLIA) helps owners and operators meet financial responsibility and environmental cleanup requirements for underground storage tanks.

Facilities: PLIA headquarters is located at a leased facility in Olympia.

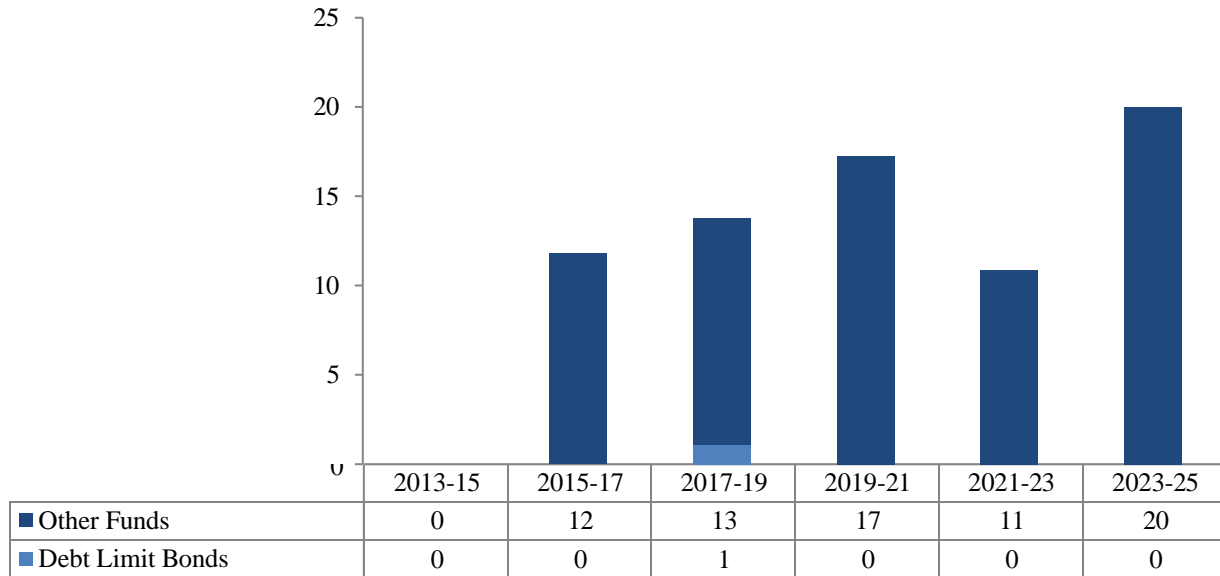
Primary Capital Programs Administered by PLIA:

The following table summarizes the PLIA-administered grant programs funded in the capital budget.

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Heating Oil Tank Program	The Heating Oil Loan and Grant Program provides up to \$75,000 for heating oil tank owners to collect critical data about their site and clean up releases; upgrade, replace, or remove heating oil tank systems to prevent future releases; and install new infrastructure. Eligible applicants must own the property where the heating oil tank is located or provide written consent from the property owner.	Other	8.0
Underground Storage Tank Program	The Underground Storage Tank (UST) Grant and Loan Program provides UST owners and operators access to capital to replace or upgrade aging fuel systems to prevent leaks and dispense modern fuels; clean up historic or ongoing contamination caused by UST leaks; and adapt old gas stations for the changing transportation fuel market, including the installation of alternative fueling infrastructure such as electric vehicle charging stations.	Other	12.0

Washington Pollution Liability Insurance Program Capital Budget History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Relevant Organizations to the Functional Area

Board of Natural Resources (RCW 43.30.205): The Board of Natural Resources (NRB) consists of six members: the Governor or designee, the Superintendent of Public Instruction, the Commissioner of Public Lands, the University of Washington's College of Forest Resources dean, the Washington State University's College of Agriculture dean, and a representative of counties having state forest lands managed by the Department of Natural Resources. The NRB establishes land acquisition and disposition policies, and acts as the board of appraisers as provided in Article XVI, section 2 of the Washington Constitution.

Fish and Wildlife Commission (RCW 77.04.030): The nine-member Fish and Wildlife Commission (Commission) establishes policies to preserve, protect, and perpetuate wildlife, fish, and their habitats, and monitors the implementation by the Department of Fish and Wildlife of those policies. By law, the Commission must "maximize fishing, hunting, and outdoor recreational opportunities compatible with healthy and diverse fish and wildlife populations." The Commission has final approval authority over departmental agreements and budget proposals, adopts rules, and appoints the department director.

Salmon Recovery Funding Board (RCW 77.85.110): The Salmon Recovery Funding Board (SRFB) is responsible for making grants and loans for salmon habitat projects and salmon recovery activities. The SRFB totals 10 members: five voting members appointed by the Governor, and five ex-officio, nonvoting members including the Commissioner of Public Lands, the Department of Fish and Wildlife Director, the Department of Ecology Director, the Conservation Commission Director, and the Secretary of Transportation.

Brian Abbott Fish Passage Barrier Removal Board (RCW 77.95.160): The Brian Abbott Fish Passage Barrier Removal Board (Board), established in 2014, provides funding to remove barriers to fish passage to restore habitat for salmon and steelhead populations. The Board includes nine voting members, nine alternate voting members, and two nonvoting members. The Department of Fish and Wildlife facilitates and provides technical assistance to the Board. The Recreation and Conservation Office manages the Board's grants.

State Parks and Recreation Commission (RCW 79A.05.015): The State Parks and Recreation Commission consists of seven members appointed by the Governor, and has powers to manage state parks, including the authority to acquire lands for parks and adopt rules to guide visitor conduct.

Recreation and Conservation Funding Board (RCW 79A.25.110): Established by Initiative 215 in 1964, the Recreation and Conservation Funding Board's (RCFB) statutory mission is to create and implement a statewide strategy for meeting the recreational needs of Washington's citizens. The RCFB assists the financing of recreation and conservation projects statewide. The eight board members include five

citizen members appointed by the Governor, the Commissioner of Public Lands, the Department of Fish and Wildlife Director, and the State Parks and Recreation Commission Director.

Higher Education



*Milgard Hall, University of Washington—Tacoma. Project funded in 2021-23 Capital Budget.
(Photo Credit: Legislative Support Services)*

Overview of Higher Education

The Higher Education functional area of the capital budget includes appropriations that generally fall into three policy categories:

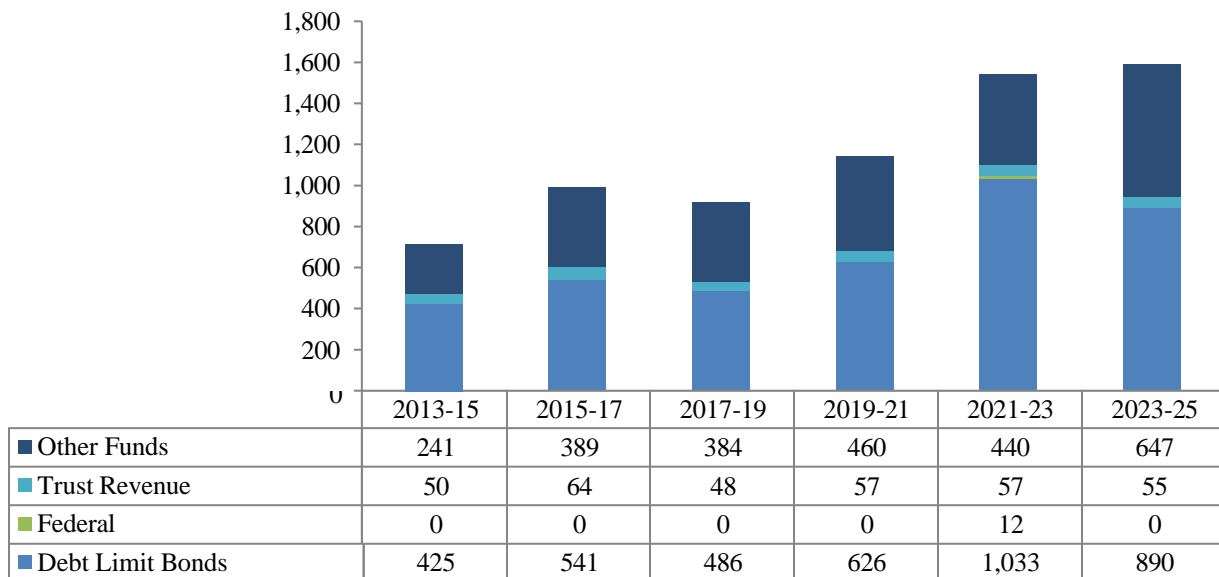
Access: Adequate facilities are necessary to provide students access to education. This has been a priority of the Legislature over the last decade. Access is provided primarily through new and renovated facilities on campuses.

Preservation: Ongoing maintenance and small repairs funded by the operating budget are necessary along with capital budget funding for major repairs, renovations, and minor works to preserve facilities, allowing the building to be functional beyond the expected useful life.

Mission: Some facilities may be necessary to enable the institution to carry out its unique mission.

A variety of funding sources are available for higher education capital facilities. Generally: (1) research space at the research institutions may be funded from state, federal, or private funds; (2) instructional space and related general space typically is funded using state funds; (3) student auxiliary services (e.g., dining and housing) are funded through student fees, as are student recreational facilities; and (4) other mixed-use facilities often have mixed sources of funding.

**Higher Education
Capital Budget by Fund Source**
(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Higher Education Institutions

<u>Four-Year Public Institutions (6)</u>	<u>Two-Year Public Colleges (34)*</u>
University of Washington	Bates Technical College
Seattle	Bellevue College
Tacoma	Bellingham Technical College
Bothell	Big Bend Community College
	Cascadia College
Washington State University	Centralia College
Pullman	Clark College
Tri Cities	Clover Park Technical College
Vancouver	Columbia Basin College
Spokane (with EWU)	Edmonds College
Everett	Everett Community College
	Grays Harbor College
Central Washington University	Green River College
Ellensburg	Highline College
	Lake Washington Institute of Technology
Eastern Washington University	Lower Columbia College
Cheney	North Seattle College
	Olympic College
The Evergreen State College	Peninsula College
Olympia	Pierce College Fort Steilacoom
	Pierce College Puyallup
Western Washington University	Renton Technical College
Bellingham	Seattle Central College
	Shoreline Community College
	Skagit Valley College
	South Puget Sound Community College
	South Seattle College
	Spokane Community College
	Spokane Falls Community College
	Tacoma Community College
	Walla Walla Community College
	Wenatchee Valley College
	Whatcom Community College
	Yakima Valley College

*All 34 community and technical colleges now offer selected bachelor's degrees.

Higher Education Facility Planning and Prioritization:

Inventory and Condition Data: At various junctures, the Legislature has directed or commissioned the production of facilities inventory and condition data to create a Higher Education Facility Comparable Framework, for the purpose of informing facilities preservation investments in the capital budget. The most recent update to this framework was completed in April 2016 for the Office of Financial Management (OFM) by MENG Analysis. The 2016 update used methodologies like those used in prior comparable framework reports to collect, translate, and report the institutional data. This [report](#) can be accessed on the OFM website.

Project Prioritization: The Legislature has created, or directed the development of, various methods to guide capital appropriation decisions by rating and ranking all major capital projects for public four-year institutions. This section summarizes recent legislative actions related to these methods, beginning in 2018.

The 2018 Supplemental Capital Budget required the OFM, in consultation with legislative leadership and higher education institutions, to design and conduct a study to provide recommendations for:

- learning space utilization standards for higher education facilities;
- reasonableness of cost standards for higher education facilities; and
- a criteria scoring and prioritization matrix for use by four-year higher education institutions and other decision makers to produce single prioritized lists of higher education capital projects consisting of two components: (1) a numeric rating scale that assesses how well a particular project satisfies higher education capital project criteria; and (2) a numeric measure to weigh the importance of those criteria.

The 2018 Supplemental Capital Budget also provided an appropriation of \$150,000 to fund the study, which was first published in 2019 and then revised in 2020 ([2019 Higher Education Facility Study](#)). Through this directive and the related study, the OFM modified the major project scoring criteria and developed a prioritization matrix for decision makers to use to produce single prioritized project lists. However, this directive does not require the Governor or Legislature to develop, or adhere to, a prioritized list of higher education capital projects for a given budget cycle.

Subsequently, the 2023-25 Capital Budget suspended the capital project prioritization process for public four-year institutions. In lieu of the formal scoring process, in 2024, the institutions were required to submit additional supporting information with their 2025-27 budget requests that is equivalent to the data submitted for the 2022 higher education scoring process.

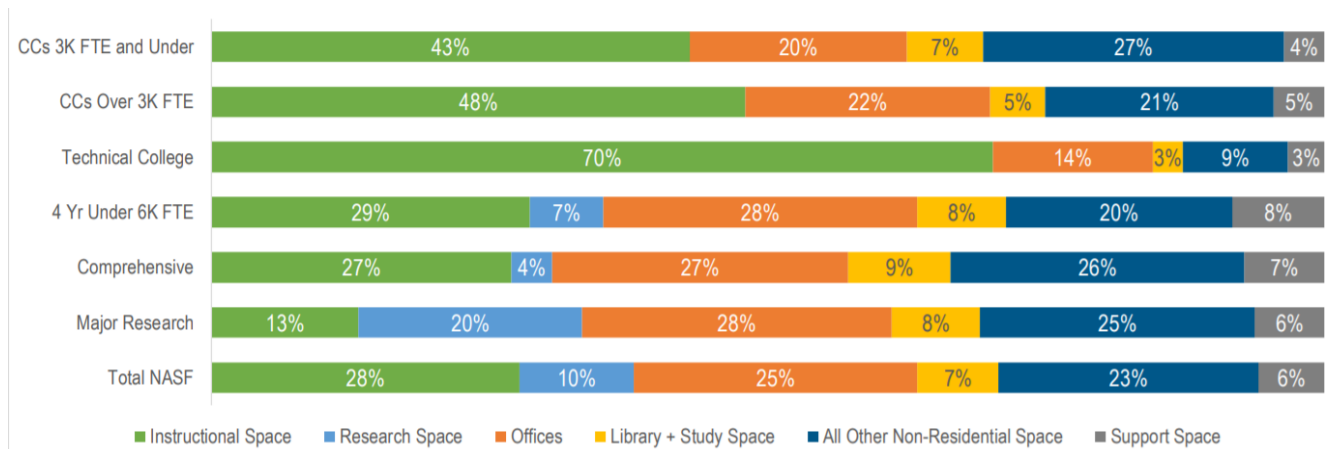
Institutional Space Distributions: The 2019 Higher Education Facility Study, referenced above, also provides recent space classification data that summarizes the distribution of net assignable, non-

residential space types across higher education institutional groupings. Residential space, hospital space, and leased space were not included in this study.

Distribution of Existing Non-Residential Space between College and Campus Classifications—Total Net Assignable Square Feet

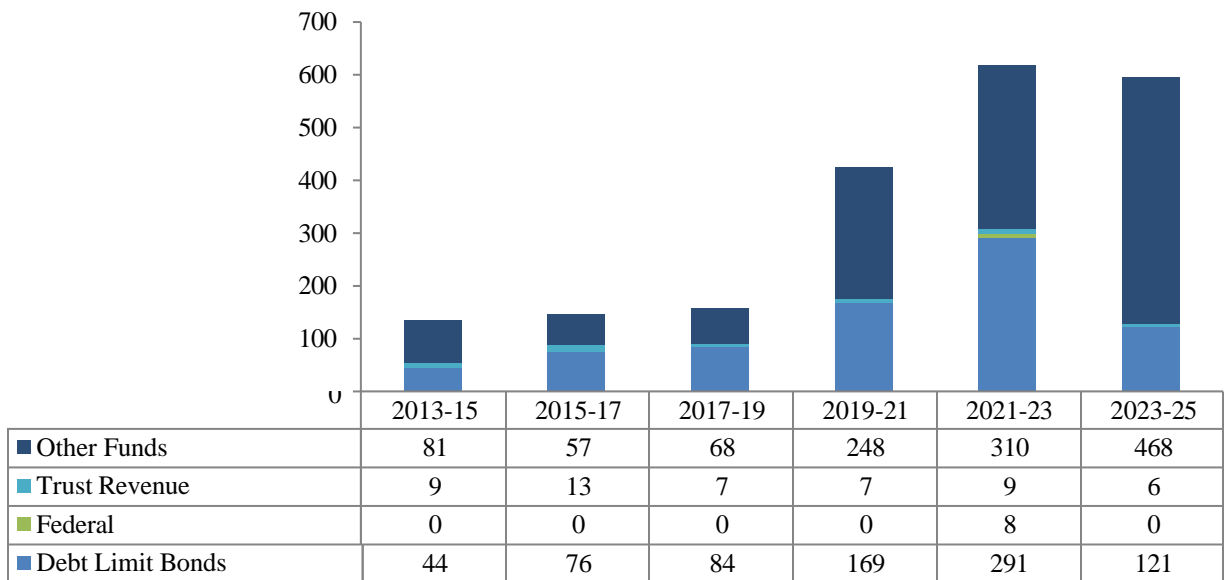
Space Summary Category	Community Colleges (3,000 FTE and Under)	Community Colleges (Over 3,000 FTE)	Technical College	Four Year (Under 6,000 FTE)	Comprehensive	Major Research	Total NASF
Instructional Space	739,356	2,749,326	549,150	687,524	1,030,163	1,606,380	7,361,899
Research Space				159,148	139,800	2,442,092	2,741,040
Offices	336,366	1,260,028	112,308	678,295	1,017,804	3,380,775	6,785,577
Library + Study Space	117,127	284,000	21,193	191,876	352,275	968,958	1,935,430
All Other Non-Residential Space	465,499	1,177,108	74,021	488,613	1,009,588	3,000,962	6,215,791
Support Space	62,798	260,098	25,553	199,622	275,150	761,611	1,584,832
TOTAL	1,721,146	5,730,560	782,225	2,405,078	3,824,781	12,160,778	26,624,568

Distribution of Existing Non-Residential Space between College and Campus Classifications—as Percentage of Net Assignable Square Feet



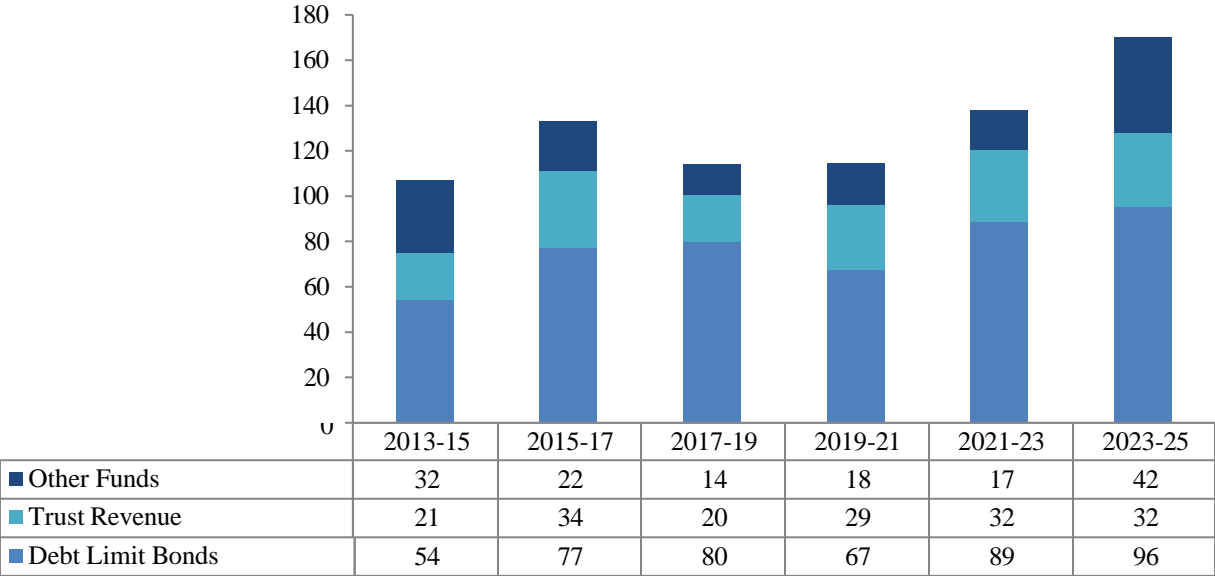
Note: Not all space was included in the analyses. Residential space, hospital space, and leased space were not included. Source: The above graphics were produced in 2019 by NAC Architecture and Ayers Saint Gross.

University of Washington Capital Budget History (Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

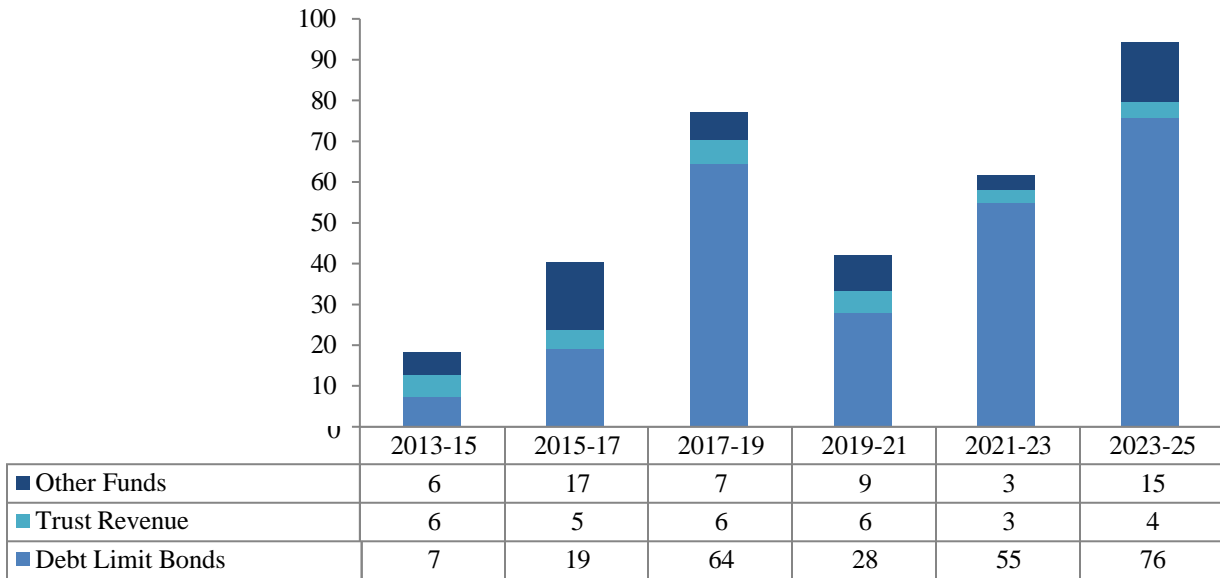
Washington State University Capital Budget History (Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Eastern Washington University

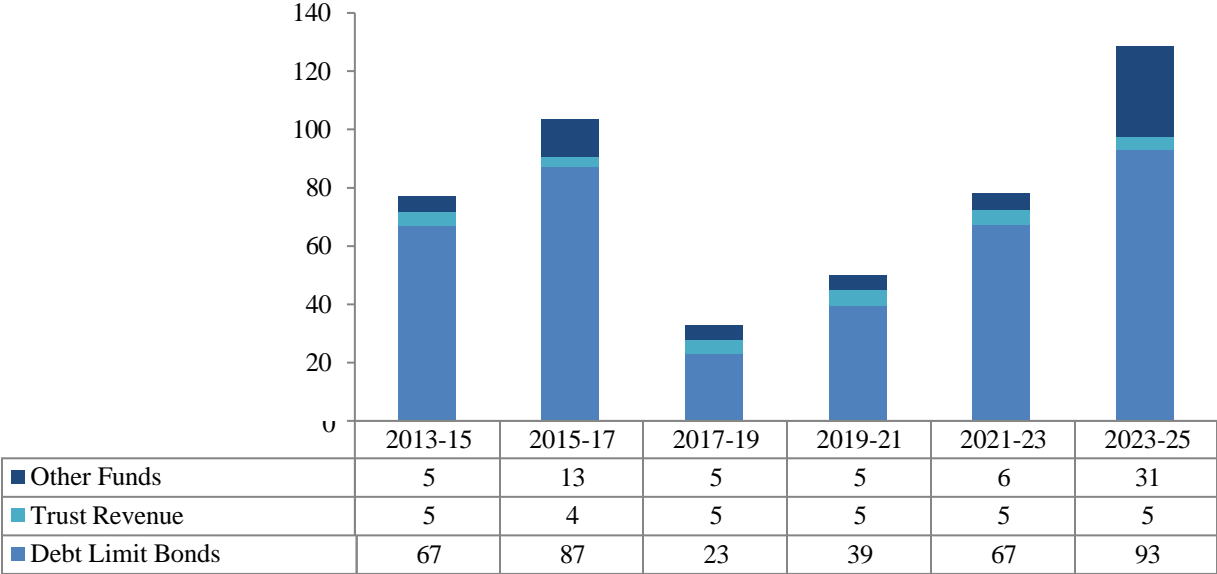
Eastern Washington University Capital Budget History (Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Central Washington University

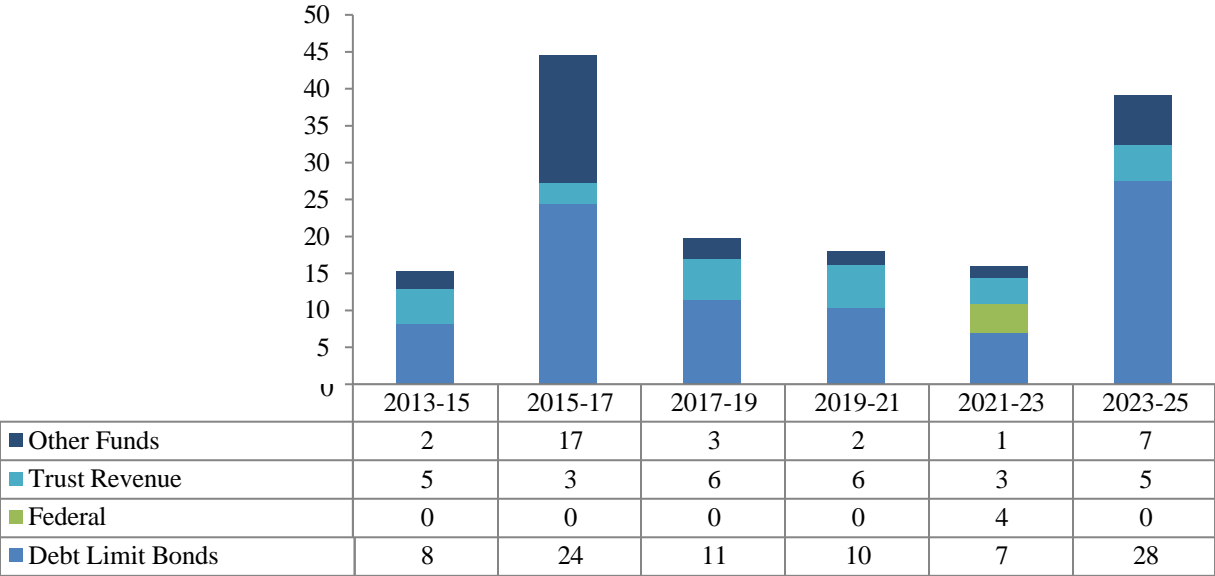
Central Washington University Capital Budget History (Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

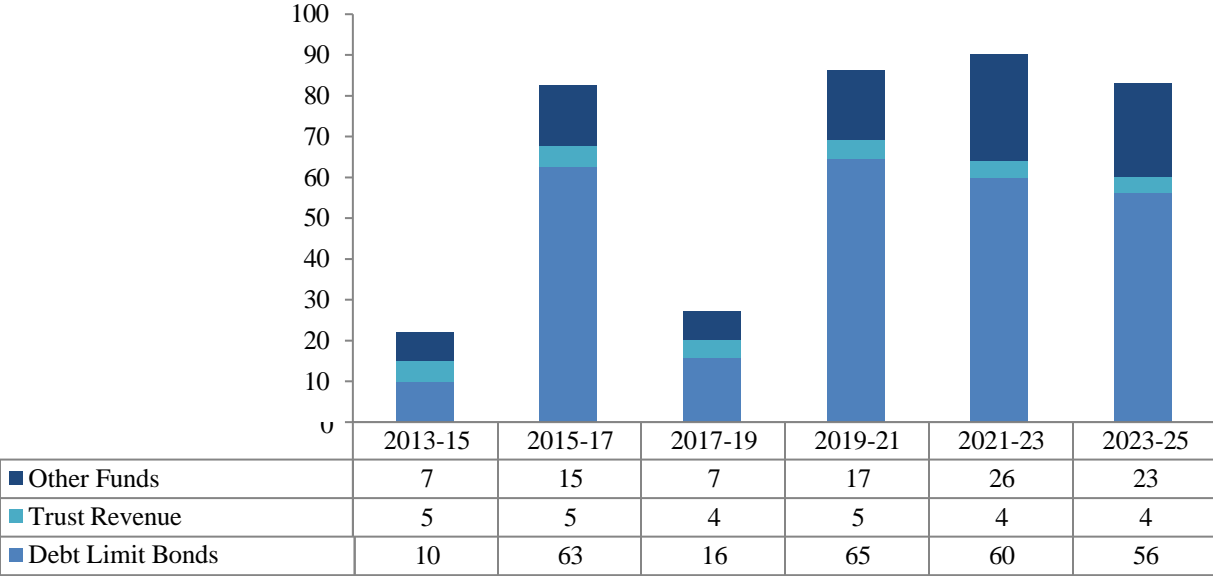
The Evergreen State College

The Evergreen State College Capital Budget History (Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Western Washington University Capital Budget History (Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

State Board for Community and Technical Colleges

Capital Project Development and Prioritization:

The State Board for Community and Technical Colleges (State Board) uses a process for evaluating and prioritizing the project requests of the 34 community and technical colleges around the state. The system’s long-standing capital budget process prioritizes projects to ensure that preservation of existing facilities is balanced with new construction to expand capacity and meet changing program needs. Each college develops a capital request shaped by program-based strategic planning and facility master planning. The requests of all 34 colleges are then prioritized to form the system request.

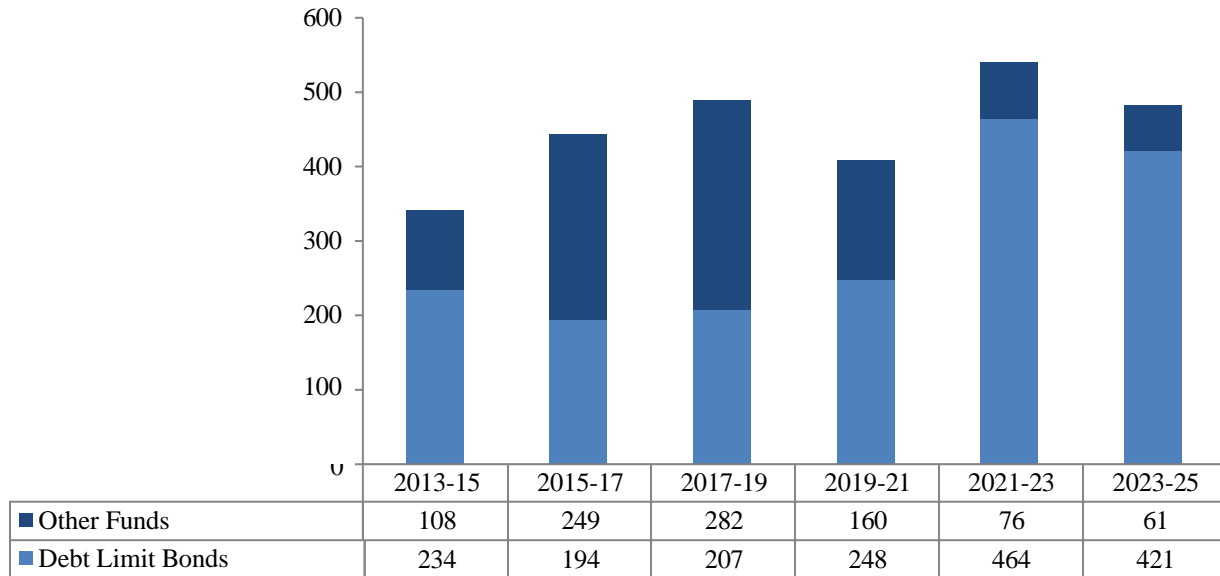
In recent biennia, the Legislature has generally followed the State Board's requested prioritization for major project proposals, funding requests in two phases (design and construction funded in separate biennia). However, the 2021-23 Capital Budget directed the State Board to examine alternative methods of prioritizing and presenting its capital budget request for the 2023-25 biennium. In response, the State Board studied this issue and recommended that the Legislature appropriate both design and construction-phase funding for major capital projects in a single biennium. Subsequently, the 2022 Supplemental Capital Budget required the State Board to submit a single prioritized request with minor projects above major projects and with all the funding needed for projects' design and construction included in a single biennium. The State Board is currently underway with a review of the major project capital prioritization process to ensure that future projects meet the needs of each college and the system.

Capital Grant Program Administered by the State Board:

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Career Prep and Launch Equipment Grants	Competitive grants to community and technical colleges to purchase and install equipment that expands career-connected learning opportunities. Applications may have up to two or three award cycles throughout the year if needed to fully allocate funding.	Public Comm/Technical Colleges	5.0

State Board for Community and Technical Colleges Capital Budget History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Relevant Organizations to the Functional Area

Student Achievement Council (RCW 28B.77): The Student Achievement Council (Council) provides planning, coordination, monitoring, and fiscal policy analysis for higher education in the state, including the preparation of a master plan. The Council is composed of 10 voting members, including six citizen members appointed by the Governor with the consent of the Senate. The citizen members consist of a graduate student, an undergraduate student, a representative of an independent nonprofit higher education institution, a representative of the four-year institutions of higher education, a representative of the state's community and technical college system, and a representative of the state's kindergarten through grade 12 (K-12) education system. The Council replaced the Higher Education Coordinating Board in 2012.

Higher Education Facilities Authority (RCW 28B.07): The Higher Education Facilities Authority is a self-supported agency that issues tax-exempt bonds to enable Washington's nonprofit, independent colleges and universities to build, improve, and equip higher education facilities in a manner that will minimize capital costs.

State Board for Community and Technical Colleges (RCW 28B.50): The State Board for Community and Technical Colleges (State Board) consists of nine members appointed by the Governor and confirmed by the Senate. The State Board has general supervision and control over the community and technical colleges, including budgeting, distribution of funds, and preparation of a master plan.

Workforce Training and Education Coordinating Board (RCW 28C.18): The Workforce Training and Education Coordinating Board (Workforce Board) is a partnership of nine voting members appointed by the Governor from business, labor, and government sectors. Non-voting members also participate. The Workforce Board was created in 1991 to replace four state boards that supervised the state's training system. The Workforce Board advises the Legislature and Governor on workforce development policy. They also work to ensure the state's workforce services and programs work together and they evaluate the performance of Washington's key workforce programs.

Council of Presidents: The Council of Presidents (COP) is an association of Washington's six public baccalaureate degree granting colleges and universities. The COP provides a common voice for the public baccalaureate sector to be a resource for decision makers on issues affecting public higher education. The COP serves as the coordinating role for a number of initiatives and activities common to the public baccalaureate institutions.

Education

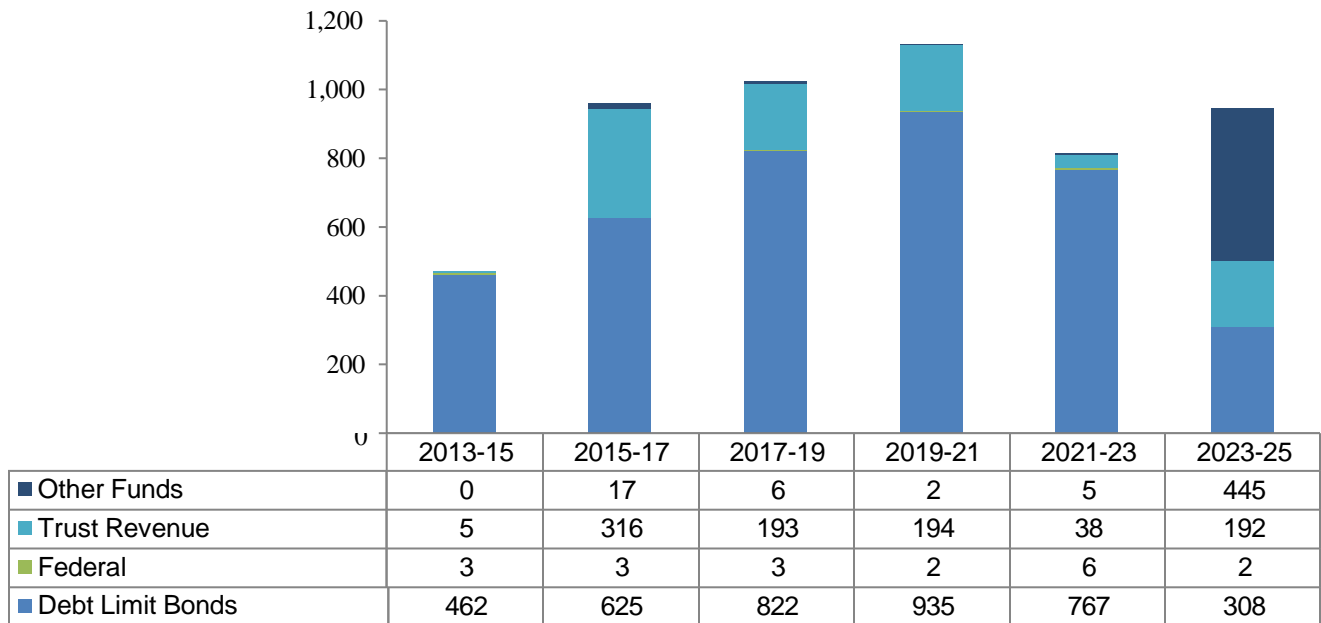


*Construction of Lynndale Elementary School in Edmonds School District.
(Photo Credit: Legislative Support Services)*

Overview of Education

The Education functional area of the capital budget includes state support for the construction of kindergarten through grade 12 (K-12) public schools by local school districts, as well as funding to support the facilities used by the Washington State School for the Blind and the Washington School for the Deaf. Funding is also provided for the museums operated by the state historical societies, as well as a grant program for buildings to preserve Washington State heritage.

Education
Capital Budget by Fund Source
 (Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024. The amounts above include the Public Schools and Arts Commission entities which are not depicted in individual functional area charts below.

Office of the Superintendent of Public Instruction

Agency Description: The Office of the Superintendent of Public Instruction (OSPI) is the primary agency charged with overseeing public kindergarten through grade 12 (K-12) education in Washington. The OSPI works with the state's 295 public school districts and seven state-tribal education compact schools to allocate funding and provide tools, resources, and technical assistance. The agency also administers several K-12 school construction programs that are funded through the capital budget.

Facilities: The OSPI is housed in the Old Capitol Building on the Capitol Campus in Olympia, which is owned and managed by the Department of Enterprise Services.

Primary Capital Grant and Loan Programs Administered by OSPI:

The following table summarizes OSPI-administered grant programs funded in the capital budget.

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Career Preparation and Launch Equipment Grants	Competitive grants of no more than \$150,000 for school districts to purchase and install career and technical education equipment that expands work-integrated learning opportunities.	School Districts	4.0
Healthy Kids, Healthy Schools Grants	Comprised of two separate grant programs: 1) grants to school districts for the purchase of equipment or to make repairs to existing equipment that is related to improving children's physical health and nutrition and may not exceed \$200,000 for any one school district; and 2) grants to school districts, charter schools, and state-tribal education compact schools, for the replacement of lead-contaminated pipes and drinking water fixtures.	School Districts, Tribes	13.0
School Construction Assistance Program Grants	Grants to school districts to assist in construction and renovation of K-12 school facilities. State assistance is formula based.	School Districts	372.9
School District Health and Safety	Funds for the following grant types: (a) emergency grants for unexpected and imminent health and safety hazards at K-12 public schools, including skill centers, which will impact the day-to-day operations of the school facility; (b) nonrecurring	School Districts	28.3

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
	urgent small repair grants at K-12 public schools, excluding skill centers, that could impact the health and safety of students and staff if not completed; and (c) equal access facilities grants for K-12 public schools, including skill centers.		
School Seismic Safety Grant Program	Grant funding for schools in high seismic hazard areas, built before 1998 and not retrofitted to 2005 seismic standards.	School Districts, Tribes	40.0
Small District/Tribal Compact Schools Modernization	Competitive construction and planning grants to small public school districts (enrollments of 1,000 or fewer) and state tribal compact schools to repair or replace significant building systems in K-12 school facilities. Energy assessment grants are also available for small school districts meeting the enrollment eligibility threshold. Small district modernization grants for school districts may not exceed \$12 million in total cost for the 2025-27 application cycle.	School Districts, Tribes	214.9

School Construction Assistance Program

The School Construction Assistance Program (SCAP) is typically among the largest state capital grant programs. The SCAP provides state financial assistance on a formula basis to school districts for constructing new school buildings and remodeling existing buildings. Only districts' permanent instructional space is eligible for state funding through the program. The OSPI administers the program and works with school districts on project approval and reimbursement.

The state allocates SCAP funding to districts based on a set of space and cost standards that are determined by the OSPI and adopted by the Legislature, as well as a statutory funding assistance percentage based on the relative per-pupil property wealth of districts. Capital construction costs for instructional space that exceed the state financial assistance provided by the SCAP are generally borne by school districts.

A school district must first secure local funding before it may become eligible for SCAP funding. Although voter-approved capital bonds are the most common form of local project financing, examples of other local funding include voter-approved capital levies, impact fees, mitigation payments, and interest income from a school district's capital projects fund.

Calculating State School Construction Assistance Program Assistance

State assistance helps finance certain space and remodeling needs of local school districts. The school district must pass a bond levy or obligate other local revenue to be eligible for state assistance. The amount of funding the state will approve for a proposed school construction project is determined by a funding formula that calculates based on three primary factors:



1. Eligible Area (square footage): Eligible area is the specific amount of square feet per student (sq ft/student) that is eligible for state assistance.

<u>Grade</u>	<u>Current rule</u>
K-6	90 sq ft/student
7-8	117 sq ft/student
9-12	130 sq ft/student
Special Education	144 sq ft/student

2. Construction Cost Allocation: The Construction Cost Allocation (CCA) is the maximum cost per square foot of construction that the state will match. The CCA is established biennially through the capital budget development process and does not reflect the actual cost of construction paid by the school districts. After the eligible square footage is determined, the CCA is applied to determine the maximum construction dollar amount eligible for state assistance for new construction and modernization. In the 2023-25 Capital Budget, the CCA was set at \$258.92 per square foot for fiscal year 2024 and adjusted for construction inflation at \$271.61 per square foot for fiscal year 2025. In the 2024 Supplemental Capital Budget, the CCA for fiscal year 2025 was increased to \$375.00 per square foot (an increase of \$103.39).
3. State Funding Assistance Percentage: The amount of state funding assistance available to the eligible project cost is determined by applying the state funding assistance percentage. Applying this percentage in the formula equalizes funding by providing a higher percentage of assistance to school districts whose assessed land value per student is relatively low. The state funding assistance percentage ranges from an established floor of 20 percent to a ceiling of 100 percent for the school districts with lowest assessed land values per student.

There are also formula requirements for modernizing facilities related to their age and condition. Finally, other allowable related costs are also added. These include architect and engineering fees, construction

management, value engineering studies, furniture and equipment, energy conservation reports, and inspection and testing.

Permanent Common School Fund and Common School Construction Fund

Washington is a land grant state. When Washington entered the Union, the federal government granted two sections of land (one section equals one square mile) in every township (there are 36 sections in a township) as a trust dedicated to support the common schools. The 1.8 million acres of school trust lands are managed by the Department of Natural Resources to generate revenue for the support of school construction.

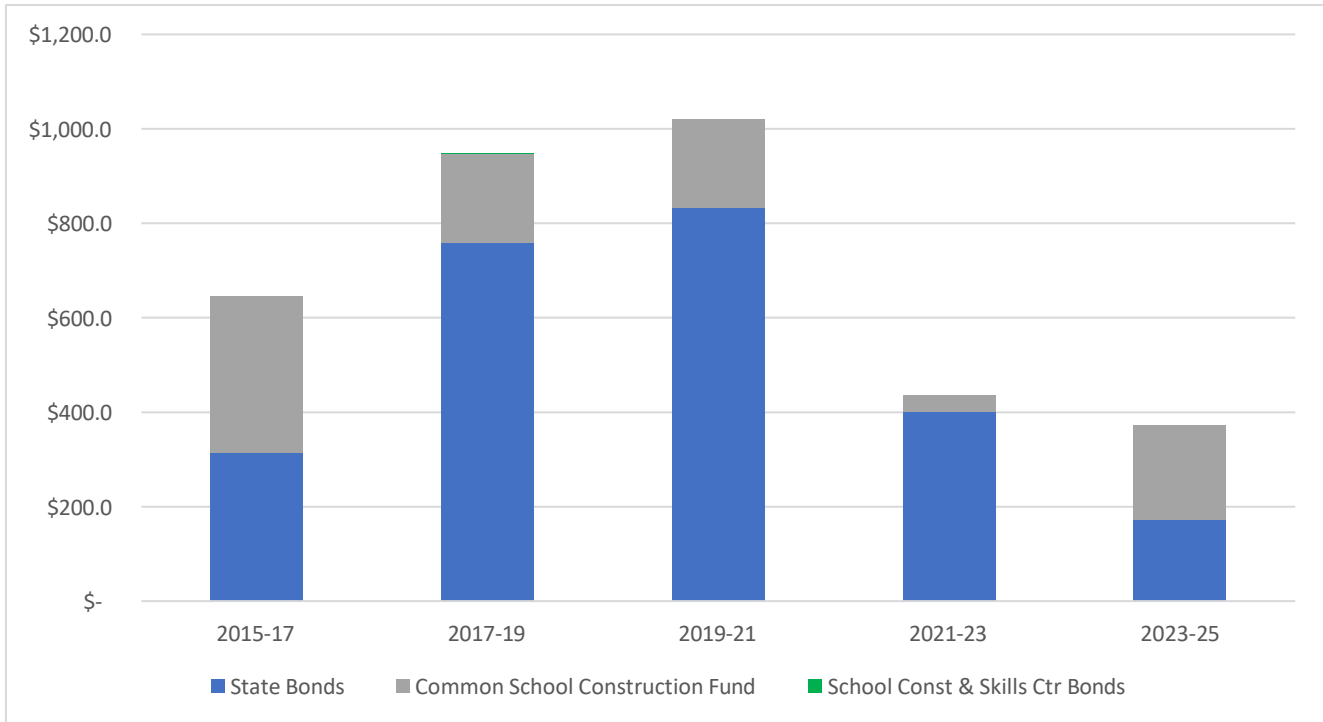
Prior to 1967 state assistance for school facilities was paid from a variety of sources. Until 1951 the State General Fund was used to pay the state share of school construction. Between 1951 and 1967 the state share of school facilities was provided by state bonds supported by cigarette and motor vehicle taxes.

A constitutional amendment enacted in 1967 dedicates school trust land revenues to support school construction. Article IX of the Washington Constitution establishes two funds:

The Permanent Common School Fund: This fund was created in the original Washington Constitution, and it received all the income from the sale of school trust lands and nonrenewable resources from the trust lands. The principal of the Permanent Common School Fund (PCSF) is irreducible, and only the interest income from the investment of the permanent fund was available for payment of current expenses for the common schools. The 1967 constitutional amendment dedicated the use of the interest income to school construction and to pay debt service on state bonds used for school construction. According to the Washington State Investment Board's most recent Annual Report Audited Financial Statements, the total market value for the PCSF for the fiscal year ending June 30, 2023, was \$246 million. The interest income from the PCSF is deposited into the Common School Construction Fund (CSCF).

The Common School Construction Fund: This fund was created by the 1967 constitutional amendment for the exclusive purpose of financing the construction of facilities for the common schools. Revenue to this fund is from the harvest of timber on school trust lands, from agricultural and real estate leases on school trust lands, and interest income from the PCSF. The CSCF revenues attributable to PCSF interest earnings are pledged to pay debt service on K-12 bonds. The CSCF revenues from other sources are used to fund school construction on a cash basis.

**School Construction Assistance Program
Capital Budget Appropriations by Fund Source**
(Dollars in Millions)



Source: Office of Program Research, October 2024.

Note: Common School Construction Fund (CSCF) appropriations are composed of Common School Trust timber revenues in the current biennium, as well as assumed Common School Trust timber revenues in future biennia. Investment income, bond proceeds from the Trust Land Transfer program, and some federal revenue also are included in the CSCF appropriation. Late in the 2021-23 biennium, the CSCF also received revenue from the state's capital gains tax, which was appropriated in the 2023-25 biennial budget in support of various K-12 capital budget programs, including the SCAP.

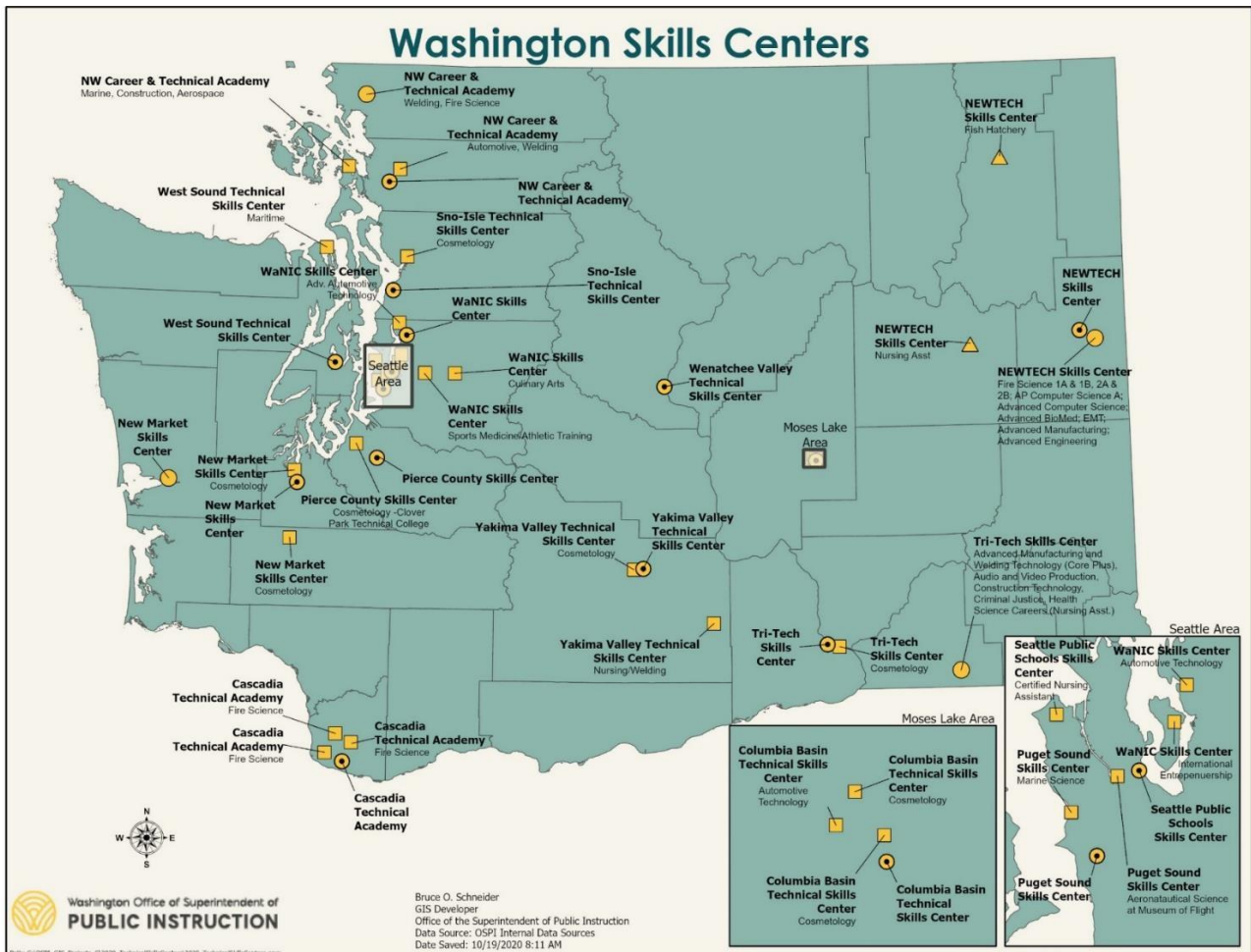
Skill Centers

According to RCW 28A.245, a skills center is a regional career and technical education partnership, operated by a host school district, and providing comprehensive, industry-defined programs of study. Skills centers are intended to prepare students for careers, employment, apprenticeships, and postsecondary education. Examples of programs offered by skills centers include aviation technology, composites, cosmetology, criminal justice, construction trades, manufacturing, video game development, and medical careers (e.g., dental and nursing).

Before a new skills center campus can receive state capital funding, it must be approved by the OSPI. Existing skills centers must complete long-range plans before making a major capital budget request. Skills center campuses can be of three types: a core campus operated by the skills center and housing a majority of the skills center students enrolled; a branch campus at a common school or higher education

facility providing three or more programs at a location other than the core campus; and a satellite program providing fewer than three programs at a location other than the core campus.

Approximately 11,311 students are currently enrolled in 17 skills centers or skills center branches statewide. In the 2023-25 Biennium, a total of \$130.6 million was appropriated for Skills Centers projects. However, over the most recent five biennia (2015-17 through 2023-25), the Legislature has provided an average of approximately \$41 million per biennium in grants for skills center capital projects



State School for the Blind

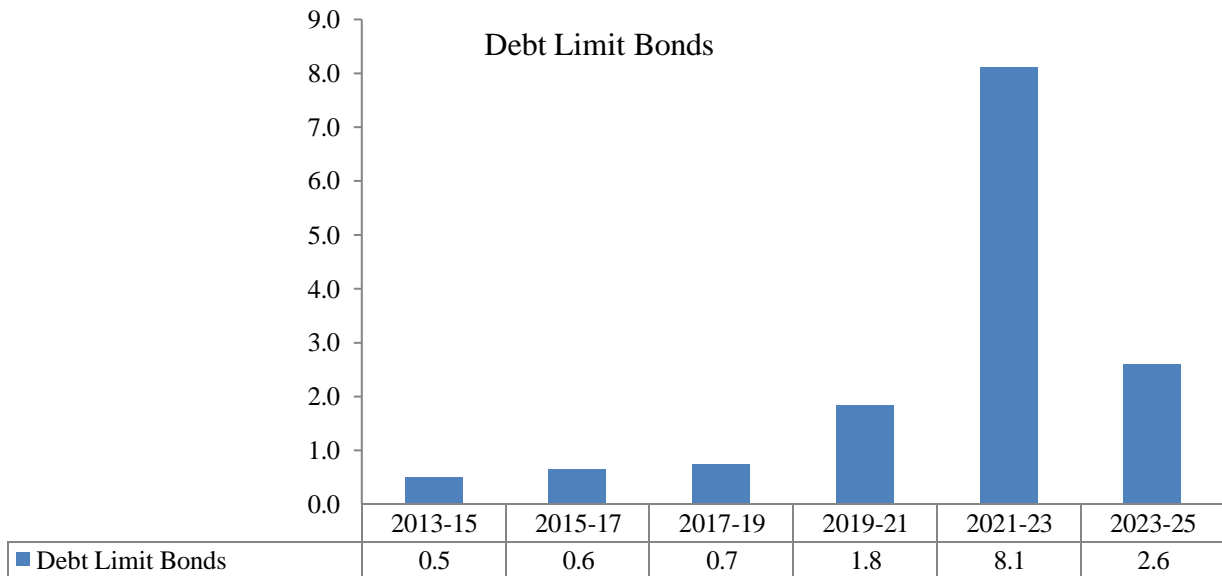
Agency Description: The Washington State School for the Blind (WSSB), established in 1886, provides specialized educational services for blind and visually impaired youth, from birth to age 21. The WSSB serves as a statewide demonstration and resource center, with services delivered both on campus and in the children's local communities.

Facilities: The WSSB occupies a 13-acre campus in Vancouver, Washington.

- Owned: 14 (163,336 square feet)
- Leased: None.

State School for the Blind Capital Budget History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

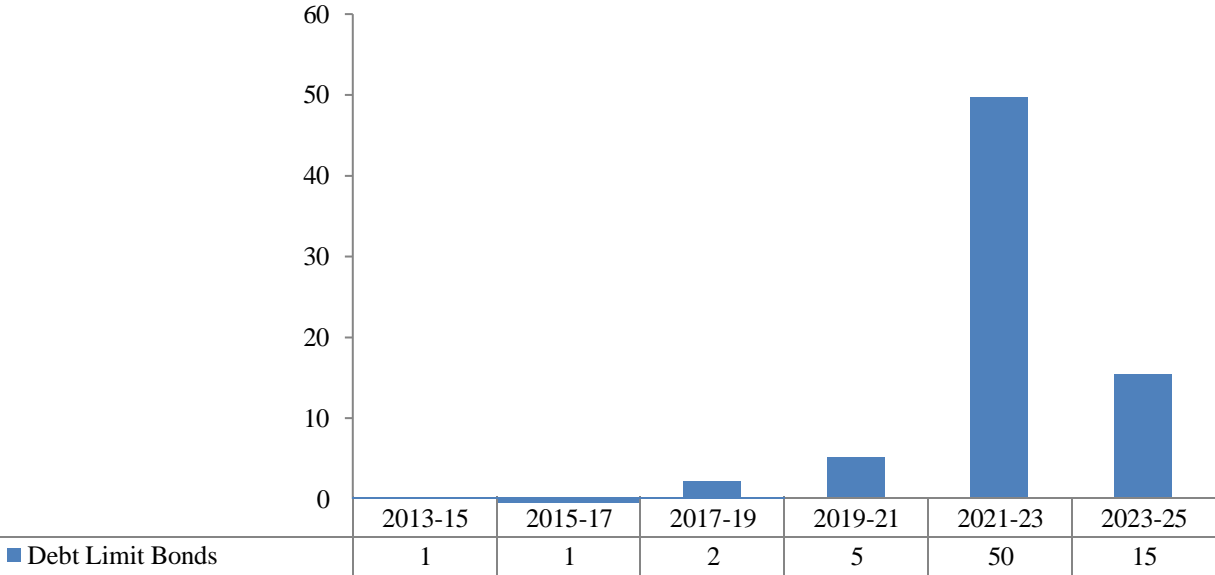
Center for Deaf and Hard of Hearing Youth

Agency Description: The Washington School for the Deaf (WSD) has provided educational and residential services to students with deafness and hearing loss since 1886. In 2009 the WSD became operationally connected to the Center for Deaf and Hard of Hearing Youth (CDHY), a statewide resource committed to all deaf and hard of hearing students in Washington, regardless of where they live or attend school. The CDHY Board of Trustees oversees all programs and operations at the WSD.

Facilities: The CDHY and the WSD are located on a 17-acre campus in Vancouver, Washington.

- Owned: 12 (197,000 square feet)
- Leased: None

**Center for Deaf and Hard of Hearing Youth
Capital Budget History**
(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Washington State Historical Society

Agency Description: Founded in 1891, the Washington State Historical Society (WSHS), located in Tacoma, is designated in law as a trustee agency whose duties include collecting, cataloging, preserving, and interpreting materials that illustrate the cultural, artistic, and natural history of the state.

Facilities:

- Owned: 2 (166,400 square feet)
 - Washington State History Museum (104,400 square feet)
 - Research Center (62,000 square feet)

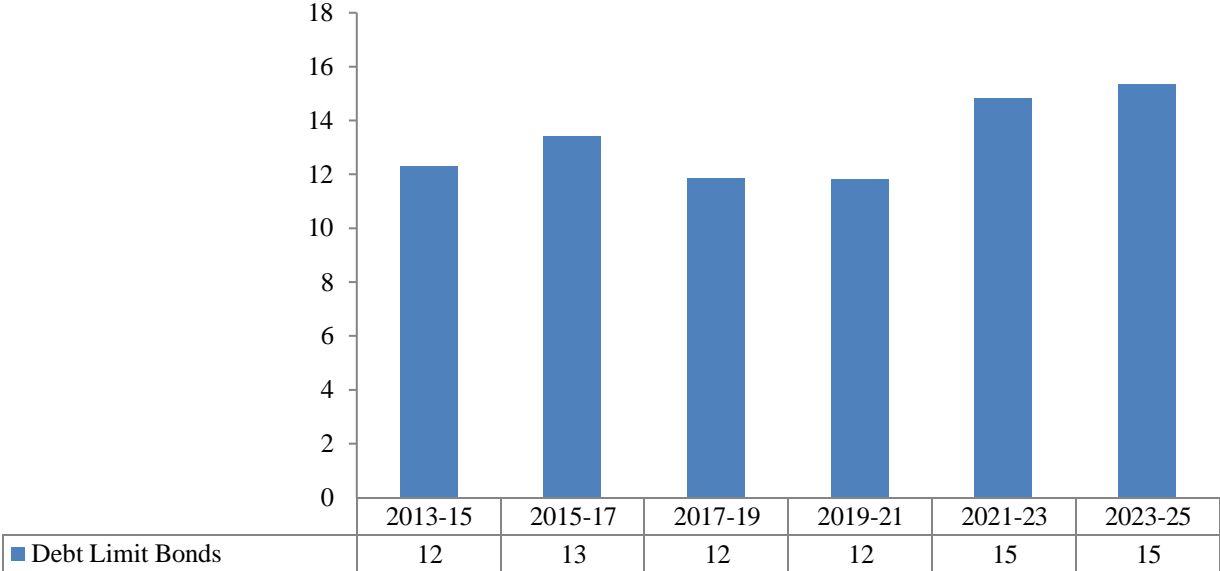
Capital Grant and Loan Program Administered by WSHS

The following table summarizes WSHS's Heritage Capital Grant Program, which is typically funded in the capital budget.

Grant/Loan Program	Brief Program Description	Eligible Organizations	2023-25 Total Program Appropriation (Dollars in Millions)
Heritage Capital Projects	Competitive grants for capital projects at publicly accessible facilities that interpret and preserve Washington's history and heritage.	Cities, Counties, Nonprofit Organizations, Other, Port Districts, Towns, Tribes	10.0

Washington State Historical Society Capital Budget History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Eastern Washington State Historical Society

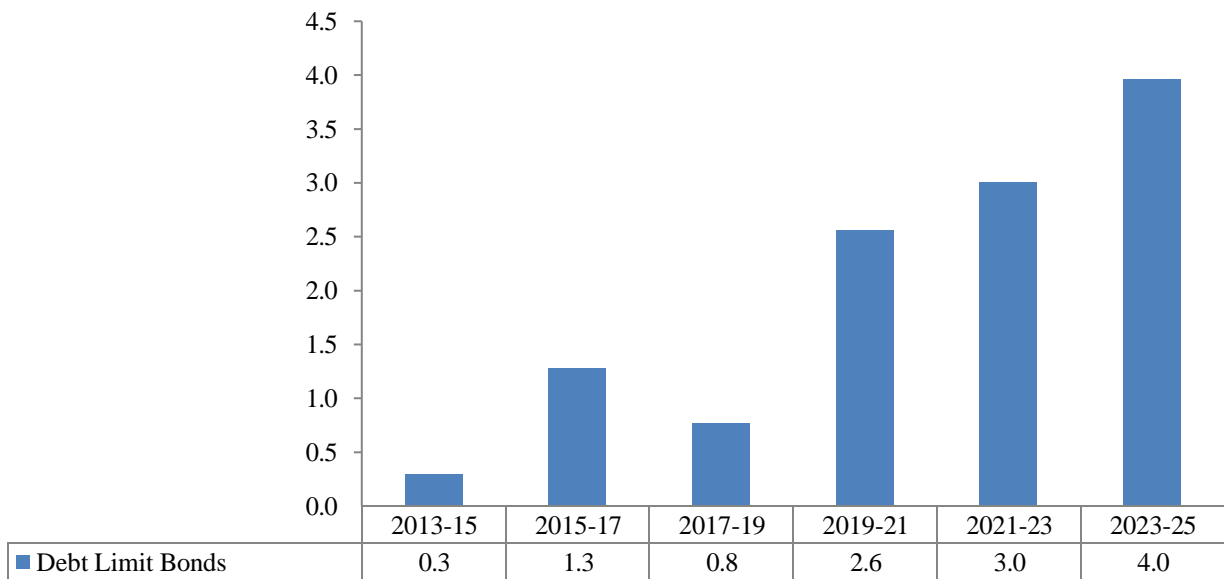
Agency Description: Founded in 1916, the Eastern Washington State Historical Society (EWSHS), like the Washington State Historical Society, is designated in law as a trustee agency whose duties include collecting, cataloging, preserving, and interpreting materials that illustrate the cultural, artistic, and natural history of the state. In 2001, EWSHS changed its public name to the Northwest Museum of Arts and Culture.

Facilities: The Northwest Museum of Arts and Culture maintains a 5-acre campus, west of downtown Spokane.

- Owned: 5 (144,100 square feet)
 - Northwest Museum of Arts and Culture (45,600 square feet)
 - Campbell House (13,600 square feet)
 - Cheney Cowles Center (39,300 square feet)
 - Carriage House (4,800 square feet)
 - Parking Structure (40,800 square feet)

Eastern Washington State Historical Society Capital Budget History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2024.

Relevant Organizations to the Functional Area

Office of Superintendent of Public Instruction (RCW 28A.300): The Office of Superintendent of Public Instruction (OSPI) is the primary agency that oversees kindergarten through grade 12 (K-12) public education in Washington. The OSPI is led by the Superintendent of Public Instruction (SPI) who is elected by the citizens of the state for a term of four years. The OSPI provides funding, resources, tools, data and technical assistance, and other services to educators and school districts.

State Board of Education (RCW 28A.305): The State Board of Education (SBE) is comprised of sixteen members representing Washington State Public School Boards of Directors, the Governor, private schools, student representatives, and the SPI. The SBE provides advocacy and strategic oversight of public education. It implements standards-based accountability systems to improve student academic achievement. It provides leadership in creating a system to personalize education for each student and it promotes achievement of the Basic Education Act goals.

School Facilities Citizen Advisory Panel and Technical Advisory Group (RCW 28A.525.025): The School Facilities Citizen Advisory Panel (CAP) is comprised of seven members who represent the SBE, the Washington State School Directors' Association, and citizens at large appointed by the SBE. The CAP advises and makes recommendations to the OSPI regarding school facilities, funding for school construction, joint planning and financing of educational facilities, and other matters related to school facilities. Additionally, the OSPI convenes a Technical Advisory Committee that includes representatives from school business officers, building and construction contracting and trade organizations, architecture and engineering organizations, and others with expertise in school facilities.

Washington Student Achievement Council (RCW 28B.77): The Washington Student Achievement Council (WSAC) was established in July 2012 to replace the Higher Education Coordinating Board. The council is comprised of 10 voting members: (a) six members (one of whom must be a an undergraduate student and one must be a graduate student) are appointed by the Governor; (b) one member is selected by an association of independent nonprofit higher education institutions; and (c) the three remaining members represent the state's four-year institutions, the state's community and technical colleges, and the state's K-12 education system. The WSAC provides strategic planning, oversight, advocacy, and programs to support increased student success and higher levels of educational attainment in Washington. The WSAC also administers the Guaranteed Education Tuition program to provide college savings opportunities.

State Historical Societies (RCW 27.34): The Washington State Historical Society (WSHS) and the Eastern Washington Historical Society are provided numerous, identical statutory powers and duties related to the state's history, among which are: (a) collecting, cataloging, preserving, and interpreting objects, manuscripts, sites, photographs, and other materials illustrative of the cultural, artistic, and natural history of this state; and (b) operating state museums and assisting and encouraging cultural and historical studies and museum interpretive efforts throughout the state. In addition, the WSHS is responsible for establishing and administering the Heritage Capital Program, as described in the "Washington State Historical Society" section.