

WASHINGTON STATE CAPITAL BUDGET

Briefing for the House of Representatives
Capital Budget Committee



January 2004
Prepared by the Office of Program Research

Capital Budget Committee Briefing Document

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2004 CAPITAL BUDGET COMMITTEE

REPRESENTATIVE	LEG ASSISTANT	OFFICE	PHONE
DUNSHEE, Hans (D) Chair		JLOB 241	7804
HUNT, Sam (D) Vice Chair	Meagan Brown	JLOB 325	7992
ALEXANDER, Gary (R) (RM)	Barb Peters	JLOB 205	7990
ARMSTRONG, Mike (R)	Wanda Ward	JLOB 424	7832
BENSON, Brad (R)	Tammi Lewis	JLOB 412	7922
BLAKE, Brian (D)	Shirley Wilcox	JLOB 339	7870
BUSH, Roger (R)	Karen Castillo	JLOB 425	7824
CHASE, Marilyn (D)	Faith Homan	JLOB 341	7880
EICKMEYER, William "Ike" (D)	Jean McMilian	MOD1 104	7902
FLANNIGAN, Dennis (D)	Maralise Hood	JLOB 335	7930
HANKINS, Shirley (R)	Jane McCann	MOD1 102	7882
HINKLE, Bill (R)	Debra DeLayne	JLOB 206	7808
KIRBY, Steve (D)	Christel Mason-Gillespie	JLOB 308	7996
LANTZ, Pat (D)	Carmen Butler	JLOB 333	7964
MASTIN, Dave (R)	Maureen Walsh	MOD1 114	7836
MORELL, Dawn (D)	Jaime Smith	JLOB 332	7968
MURRAY, Ed (D)	Adam Bartz	JLOB 243	7826
NEWHOUSE, Dan (R)	Linda Luttrell	JLOB 422	7874
O'BRIEN, Al (D)	Colleen Anderson	JLOB 331	7928
ORCUTT, Ed (R)	Amber Oien	JLOB 415	7812
PRIEST, Skip (R)	Carol Cain	JLOB 420	7830
SCHOESLER, Mark (R)	Krista Winters	MOD1 113	7844
SIMPSON, Geoff (D)	Norma Wallace	JLOB 326	7918
VELORIA, Velma (D)	Cely Lucuab	JLOB 330	7862
WOODS, Beverly (R)	Geni Allen-Stroud	MOD2 110B	7842

Committee Staff:

Charlie Gavigan, Coordinator / Counsel	JLOB 219	786-7340
Marziah Kiehn-Sanford, Fiscal Analyst	JLOB 212	786-7349
Patty Davis, Legislative Assistant	JLOB 219 A	786-7147
Alton Alexander, Jr., Clerk	JLOB Workroom 104	786-7961

Capital Budget Committee Policies - 2004

1. Hearing Schedule:

(a) All committee meetings normally will be published in the Weekly Legislative Meeting Schedule.

(b) There will normally be a minimum of three days between Public Hearing and Executive Session on bills.

(c) Member name cards will be placed on the dias prior to each committee meeting.

2. Draft Bills:

Draft Bills will not be heard in committee. If a member wishes to have a bill before the committee, the bill must be properly introduced on the floor of the House and referred to the committee. This will allow time for the proper public notice and distribution.

3. Amendments to Bills in Committee:

(a) Oral amendments will not be accepted, except very short and simple clarifying amendments with the consent of the chairman.

(b) All amendments must be prepared by committee staff.

(c) All requests for amendments must be given to committee staff by 12:00 noon on the day prior to the day of the committee vote.

(d) Requests for amendments must be made by a member or other legislative staff at the request of the member. Amendments will not be prepared at the request of a lobbyist.

(e) Only committee members may sponsor an amendment during executive session.

4. Committee Reports:

All committee reports must be signed by members before leaving the hearing room after committee meetings. Staff has been directed not to allow absent members to sign committee reports at a later time.

5. Role of Committee Staff:

All committee staff work for the Office of Program Research (OPR), a non-partisan office that was created by the House in 1973. The purpose of committee staff is to provide objective information and analysis to assist House members in making informed judgements about issues before the Legislature. The types of staff work products may include: drafting bills, preparing bill analysis for bills referred to committee, forecasts of expected consequences, pros and cons of various alternatives, comparisons of other states, and research on specific issues.

Committee staff work for all House members. For this reason, it is essential that staff provide neutral, nonpartisan information and maintain a relationship of trust with all House members.

There are three types of staff positions available to the Capital Budget committee:

Analyst: The analyst provides the written and oral reports to the committee, research and analysis of issues, and prepares bills and amendments to bills, including the capital budget bill.

Counsel: The Counsel provides assistance in bill and amendment drafting and responds to questions on legal issues.

Legislative Assistant: Working primarily under the supervision of the analysts, the legislative assistant provides the necessary support functions. These include committee correspondence, clerical work for bills and amendments for bills passed out of committee, arranging the meeting rooms, recording hearings, maintaining committee files, and record role call voting.

As far as staff work schedules are concerned, committee business is the staff's primary responsibility, and that committee work comes first in the event of time conflicts with non-committee work. Most of the staff's day-to-day workload is determined by the committee agenda which is established by the committee chair. The priority given to staff work assignments is as follows: (1) agenda items for committee meetings, (2) work requests from committee members, (3) work requests from other House members.

6. Role of Staff During Committee Meetings:

Committee staff participate in committee meetings only when specifically requested to do so. Typically the chair will ask staff to make oral presentations, and the staff will respond to questions raised by the chair or other committee members. When making presentations or responding to member questions the staff will not: (1) express his or her personal opinion, (2) defend or take an advocacy position of any organization, agency, or political party, (3) question individuals who testify before a committee, or (4) violate the confidential trust of a member. In addition, staff are not to make determinations on parliamentary procedure. It is the prerogative of the chair to make rulings on parliamentary procedures. It is not appropriate for staff to engage in any of the activities mentioned above - members please don't ask them to do so.

7. Staff Confidentiality:

Committee staff will assume all requests for information, bill drafts or amendments are confidential unless specifically told otherwise by the member. If a member wants information about another member's bill or research, please contact the member directly. It is, however, helpful to identify the name of the requesting member on requests for information from state agencies or other organizations. In these circumstances the staff will usually ask the member if their name can be used to expedite the information gathering process.

Generally the following events cause a confidential document to become public: (1) when a bill is introduced it becomes a public record, and (2) when an amendment is specifically released by the sponsor or once there is a motion to adopt the amendment it becomes a public record. Often the committee will hold a Republican and Democratic caucus (non-public) to discuss a bill or an amendment prior to voting on the measure. Staff will make all amendments available to the caucus meetings unless specifically requested otherwise by the sponsor.

Remember, all meetings are recorded for the public record and all conversations that can be picked up by the microphones are broadcast throughout the capitol campus on the black speaker boxes.

Representative Hans Dunshee
Chair, Capital Budget Committee

CAPITAL AND OTHER BUDGETS

Background

Washington State is on a biennial budget cycle. The Legislature authorizes expenditures for capital needs in the capital budget for a two-year period, and authorizes bond sales through passage of a bond bill associated with the capital budget. The budgets for the 2003-05 biennium cover the period from July 1, 2003 through June 30, 2005. The primary two-year budget is passed in the odd-numbered years, and a supplemental budget making adjustments to the two-year budget often is passed during the even-numbered years.

Operating Budget - The operating budget includes appropriations for the general day-to-day operational expenses of state agencies, colleges and universities, institutions, public schools, and other state services. Employee salaries, goods and services, and public assistance payments are typical operating expenses. About half of the operating budget is financed by the state general fund with the balance from federal and other funding sources.

Capital Budget - The capital budget includes appropriations for construction and repair of state office buildings, colleges and universities, prisons and juvenile rehabilitation facilities, parks, public schools, housing for low-income and disabled persons, farmworkers, and others, and for other capital facilities and programs. Nearly half the capital budget typically is financed by state-issued bonds while the rest primarily is funded by dedicated accounts, trust revenue, and federal funding sources. Unlike the operating budget, which typically uses incremental budgeting, the capital budget is a zero-based budget. The capital budget appropriates funds on a project by project basis. The budget often reappropriates moneys from previous biennia when projects have not been completed; major projects can take 4 or more years to design and construct.

Transportation Budget - The transportation budget includes the operating and capital costs of state and local highways, ferries, and motor vehicle registration and enforcement. About 75% of the transportation budget is funded by state tax sources with the balance from federal funding sources. Transportation related bonds are financed primarily through the motor vehicle fuel tax and are separate from the capital budget. In 2003, the legislature passed a transportation revenue package supporting about \$4 billion in transportation projects over the next 10 years. This included \$2.6 billion in bonds to be repaid through the increase in fuel tax of 5 cents and increased weight fees (excluded from the debt limit), while an increase of three-tenths of one percent on the sales tax on motor vehicles supports \$350 million in additional bonds (subject to the debt limit).

Budget Process

Agency budget requests generally are prepared during the summer and submitted to the Office of Financial Management (OFM). OFM evaluates these budget requests during the fall and makes recommendations to the Governor. The Governor publishes his or her budget proposals in December and submits them to the Legislature in January. The Legislature then passes the budgets with its revisions and sends them back to the Governor.

Relationship between the Capital Budget and the Operating Budget

While the proceeds of bond sales are spent under the capital budget, the operating budget pays for the debt service on the bonds. The debt service is approximately \$1.25 billion for the 2003-05 biennium, or 5.4% of the operating budget. Operating budget and policy decisions can affect the capital budget and vice versa.

Size of the Capital Budget

The size of the Capital Budget generally is determined by the available bond capacity and by the moneys available from dedicated accounts, trust funds, and other funding sources.

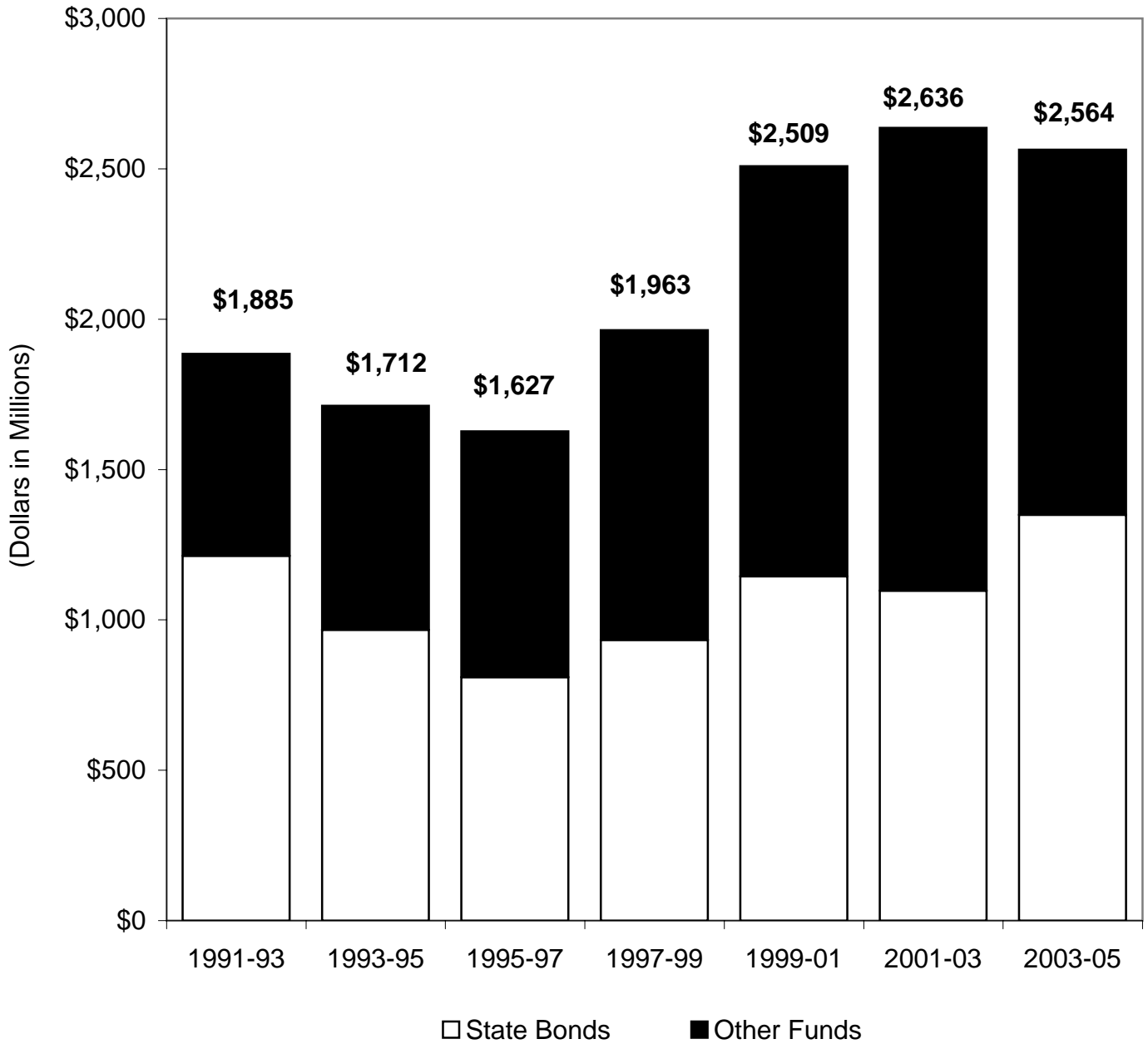
Debt limit - The amount of state bonds that can be issued in any year is limited by a constitutional debt limit and a statutory debt limit. The annual debt service (principal and interest payments) on outstanding bonds cannot exceed 9% of the three year average of general state revenues under the constitutional limit and 7% under the statutory limit. General state revenues are not the same as general fund revenues (used in the operating budget). General state revenues typically are about 90% of general fund revenues. These limits are on the amount of annual debt service, which then limits the amount of bonds that can be issued. The 2003 Legislature passed HB 2242 which increased debt/bond capacity by adding the state portion of the property tax to the statutory definition of general state revenues, effectively making the 7% statutory limit and the 9% constitutional limit the same.

Debt model - A model administered by the State Treasurer is used to estimate bond capacity for planning purposes. The model calculates the actual debt service on outstanding bonds and estimates the debt service for the future based on certain assumptions. These assumptions include future revenue and interest rates, rate of repayment, rate of issuance of the bonds, and other factors. The two primary considerations regarding bond capacity for any given year/biennium are: (1) keeping the debt service including the new bonds under the debt limit in the future; and (2) maintaining a consistent bond capacity over time so that all the capacity is not used up in one biennium resulting in little bond capacity being available in following biennia. Typically the Legislature and the Governor, in consultation with the State Treasurer, agree on the assumptions so that the discussion focuses on policy and projects and not on bond capacity. Regardless of legislative authorization, the Treasurer cannot issue bonds that would result in debt service exceeding the debt limit.

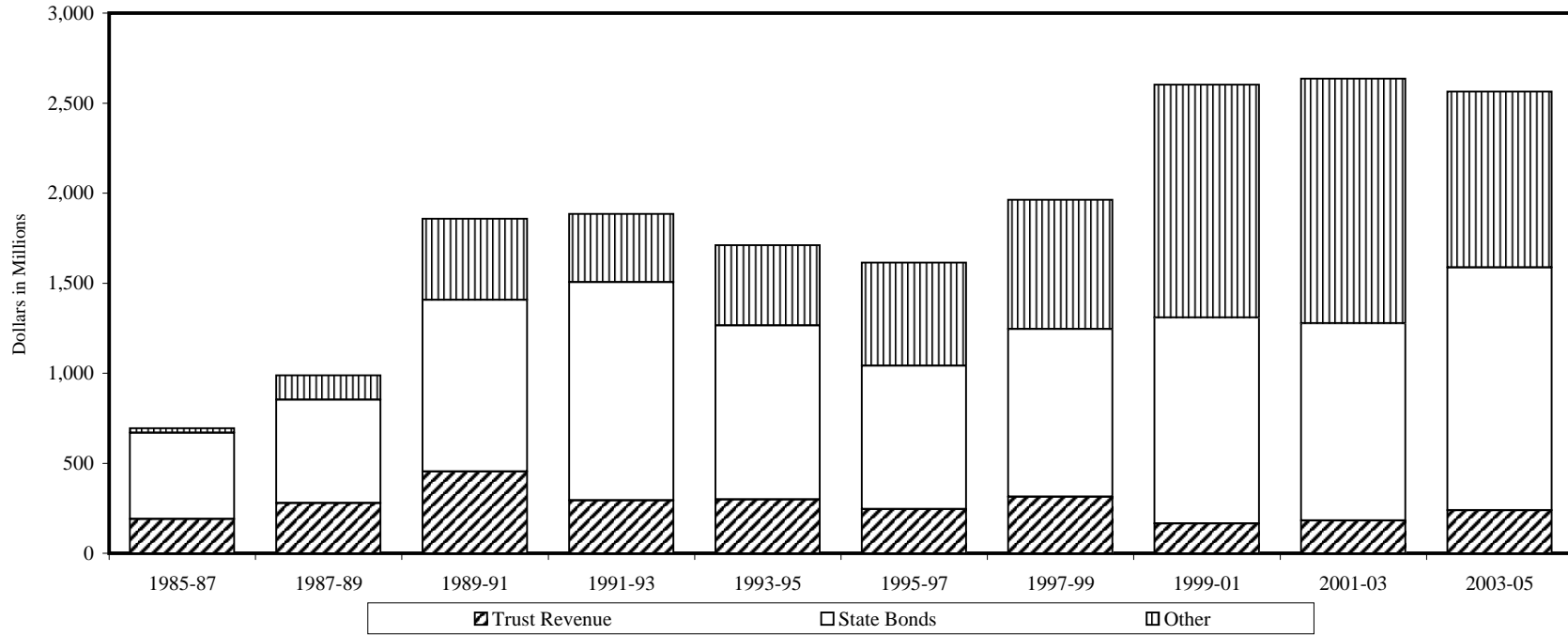
Bond Bill

A bond bill is necessary to finance the new appropriations in the Capital Budget that are funded by state bonds. The bond bill states the purpose of bonds, authorizes the State Finance Committee to issue the bonds, specifies the amount of bonds to be issued, requires legislative appropriation of bond proceeds, and pledges the full faith and credit of the state to pay the obligations. A bond bill is required by the State Constitution to have a 60 percent majority from both houses of the Legislature.

Total Appropriations in the Capital Budget (14 Year History)



History of Funding Sources in the Capital Budget

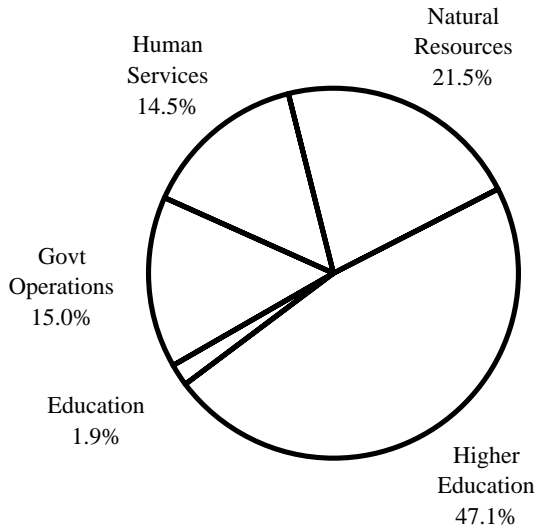


	1985-87	1987-89	1989-91	1991-93	1993-95	1995-97	1997-99	1999-01	2001-03	2003-05
Trust Revenue	190,445,950	278,401,112	454,757,587	293,279,312	298,076,864	245,920,591	313,793,314	166,026,633	181,277,206	238,896,040
State Bonds	478,418,730	574,160,100	952,598,059	1,213,347,401	966,848,111	796,039,024	931,163,886	1,142,734,926	1,095,663,982	1,349,155,257
Other	26,039,050	135,308,373	450,319,187	378,157,790	446,719,377	571,806,535	717,899,894	1,293,984,726	1,359,745,936	976,383,969
Total	694,903,730	987,869,585	1,857,674,833	1,884,784,503	1,711,644,352	1,613,766,150	1,962,857,094	2,602,746,285	2,636,687,124	2,564,435,266

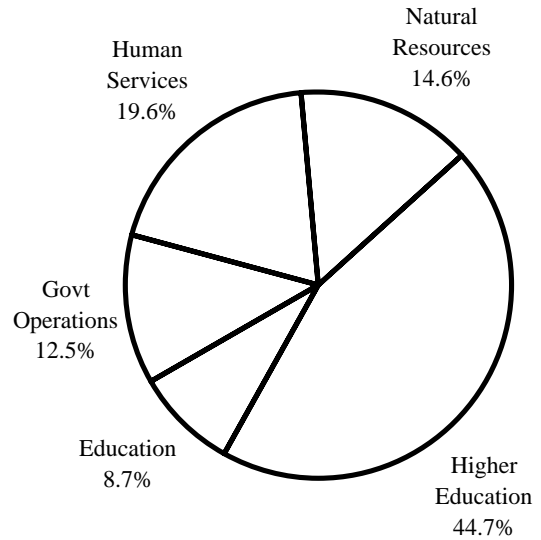
Capital Budget Summary

State Bonds

2001-03 Enacted

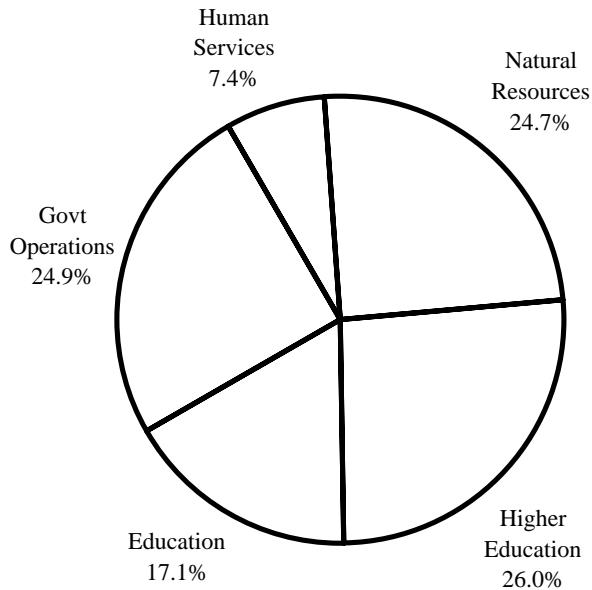


2003-05 Enacted

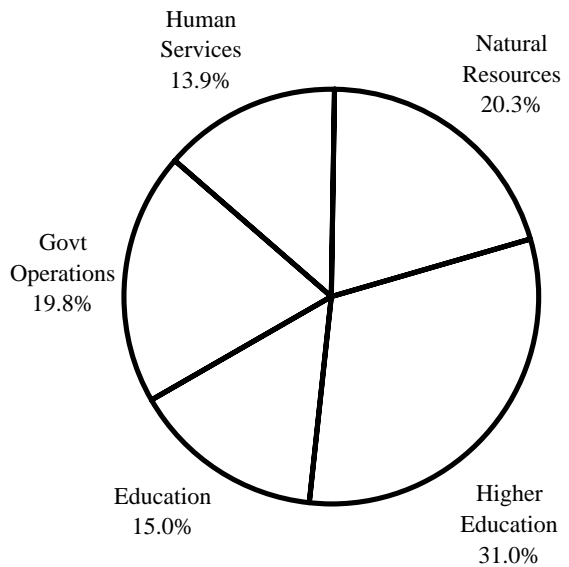


Total New Appropriations

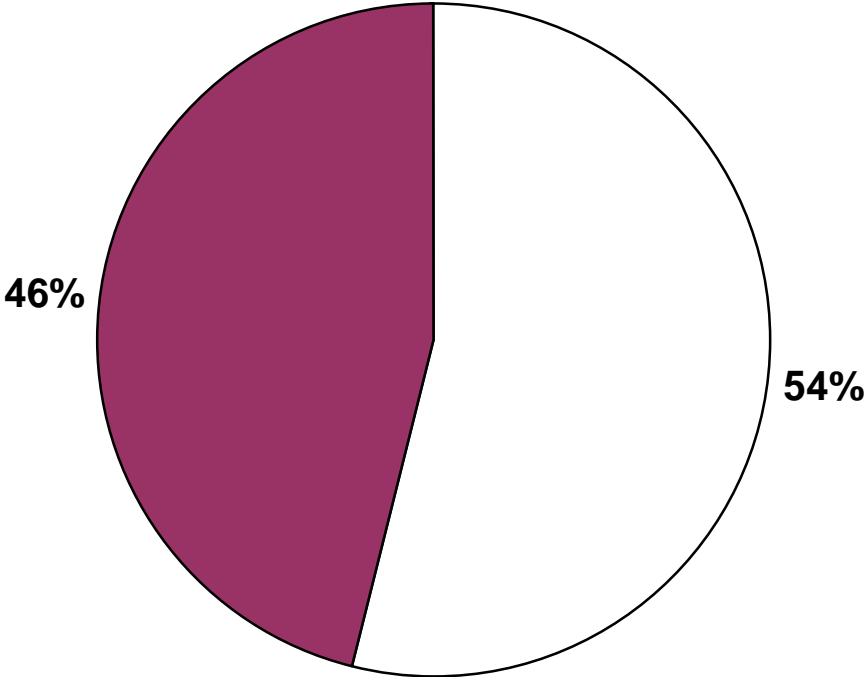
2001-03 Enacted



2003-05 Enacted



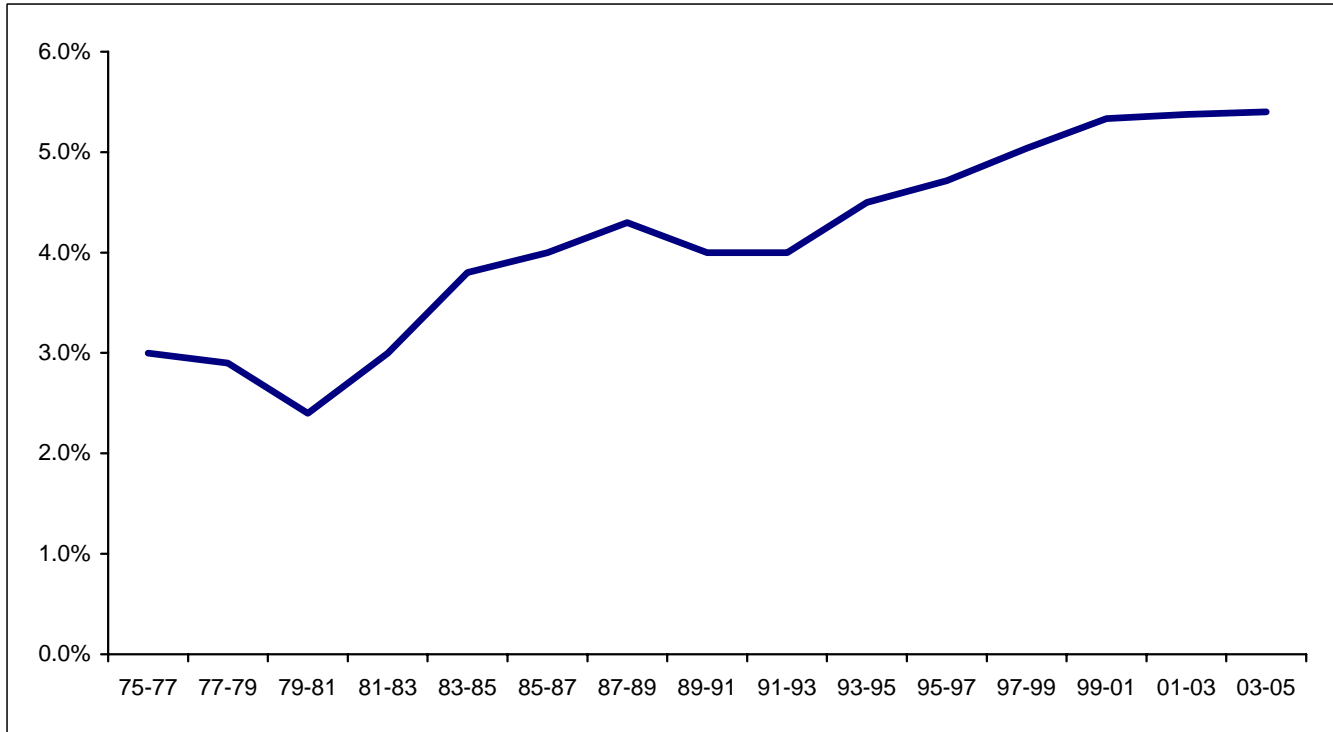
Capital Budget Funding Benefiting Local Governments/Communities



□ State/Other ■ Local Governments/Communities

Programs benefiting local governments/communities include CTED programs, Dept of Ecology and IAC programs, the K-12 school construction assistance program, and other programs.

Debt Service Payments Percent of General Fund



The estimated general fund debt service percentage for the 2009-11 biennium is 5.9% if the bond-financed base budget is \$1 billion in 05-07 (excluding Gardner-Evans and growing at 4% per biennium), and 6.4% if the base is \$1.2 billion.

General Fund debt service payments are \$1.25 billion in the 2003-05 biennium.

Capital Budget Committee Overview

Major 2003 Session Bills

- **2ESHB 2151** - Requires prioritization of proposed higher education capital projects beginning with the 2005-07 biennium budget. Two lists will be generated, one for 4-year institutions and one for community and technical colleges.
- **HB 2242** - Includes the state portion of the property tax in the statutory definition of general state revenues used for debt limit calculation purposes, effectively making the statutory debt limit and the constitutional debt limit the same.
- **SSB 5401** - The 2003-05 Capital Budget. Fiscal policy initiatives included: limiting the number of times smaller projects and programs should be reappropriated; limiting the use of bonds for projects/programs that are not clearly capital projects/programs; reviewing the funding of equipment in the capital budget; and auditing capital projects.
- **ESSB 5908** - Gardner-Evans bonds. Authorizes \$750 million in bonds to finance additional higher education projects appropriated over about 6 years.

Possible 2004 Session Issues/Requests

- Should the Legislature enact a bond bill in 2004?
- Should additional Gardner-Evans higher education projects be appropriated?
- The Legislative Building renovation and Capitol Campus governance issues.
- Should Coyote Ridge Corrections Center be expanded to add 768 medium-security beds?
- Operating budget impacts of capital budget decisions and vice versa.
- Requests to address water quality and supply issues and salmon recovery efforts.

The Functional Areas of State Government

State agencies have traditionally been categorized into one of several functional areas for budgeting purposes. While appropriations are made to specific agencies rather than to functional areas, functional areas can provide a useful tool for understanding the allocation of state resources and analyzing trends.

Functional areas currently used in the capital budget include:

Governmental Operations and Transportation

Human Services

Natural Resources

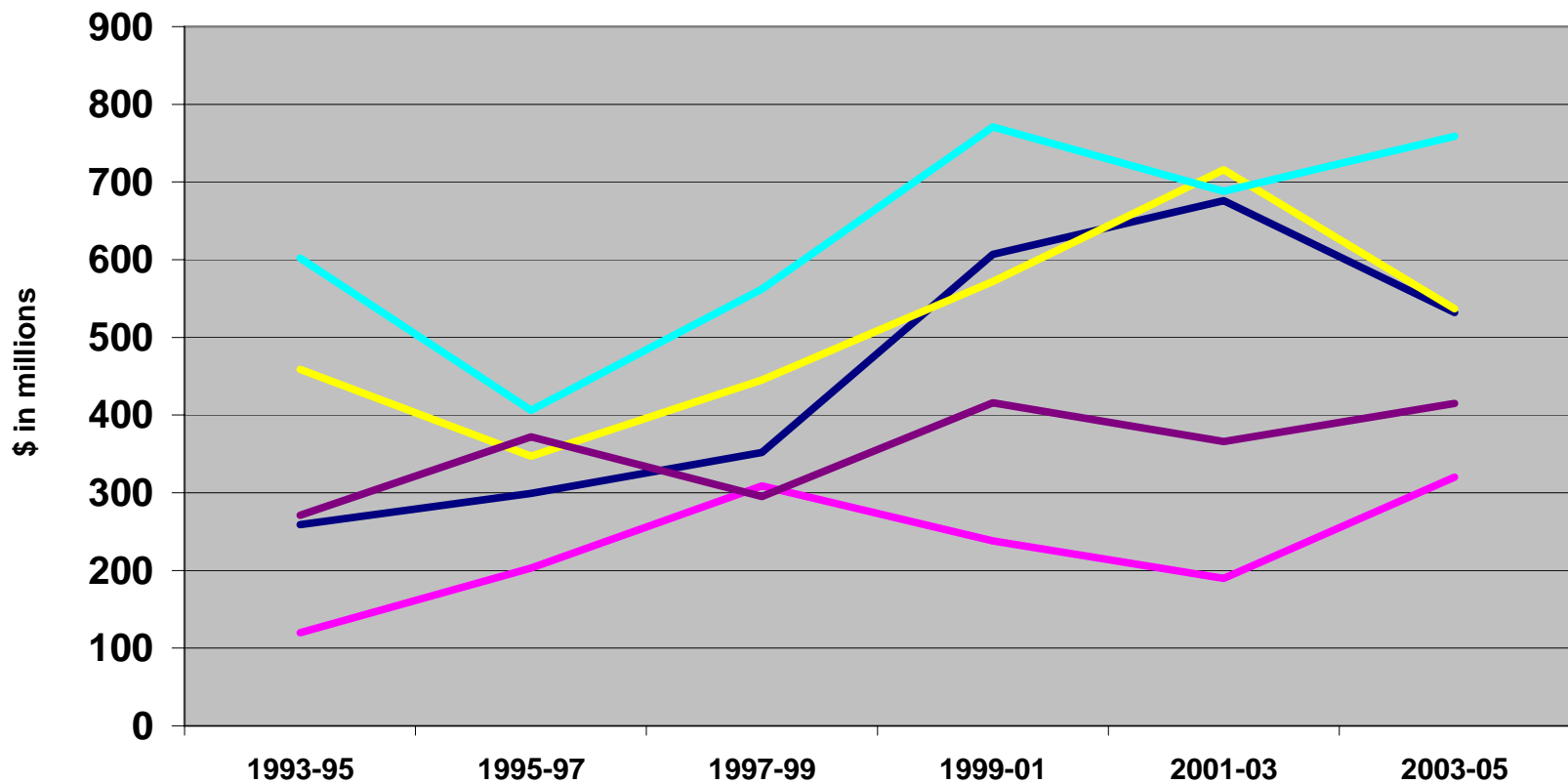
Higher Education

Other Education

Following is an overview of each of these functional areas.

Capital Budget Function Area History

(Total Appropriations)



— Gov't Operations — Human Services — Natural Resources — Higher Education — Education

GOVERNMENTAL OPERATIONS

Overview

"Governmental operations" is an assortment of agencies that do not fit neatly into the other functional areas. Included are the traditional "core" agencies of state government (agencies headed by constitutionally elected officials, the Legislature, and the Judicial branch); agencies providing central services for the state (such as the Department of General Administration); as well as several other agencies. The largest governmental operations agency is the Department of Community, Trade, and Economic Development, which administers capital programs related to local government infrastructure and economic development. Governmental operations represents a wide assortment of capital projects, ranging from state office construction and historic preservation to the repair of Department of the Military readiness centers. Transportation is sometimes included in this category.

2003 Session

Governmental operations received \$495 million in the 2003-05 capital budget, about 21% of the total. Of this, \$261 million is for the Public Works Trust Fund to assist local governments with infrastructure projects important for public health and safety, and \$80 million is provided for housing assistance for low-income persons, developmentally disabled persons, victims of domestic violence, homeless families, farmworkers, and other housing needs. Funding was provided for the Building for the Arts Program (\$4.5 million), the Community Services Facilities Program (\$5.9 million), and for a variety of member-requested local/community projects (\$45 million). In addition, \$52 million is provided to improve or upgrade facilities that provide drinking water to local communities. Additional funding was provided for the Legislative Building renovation project.

Potential 2004 Issues

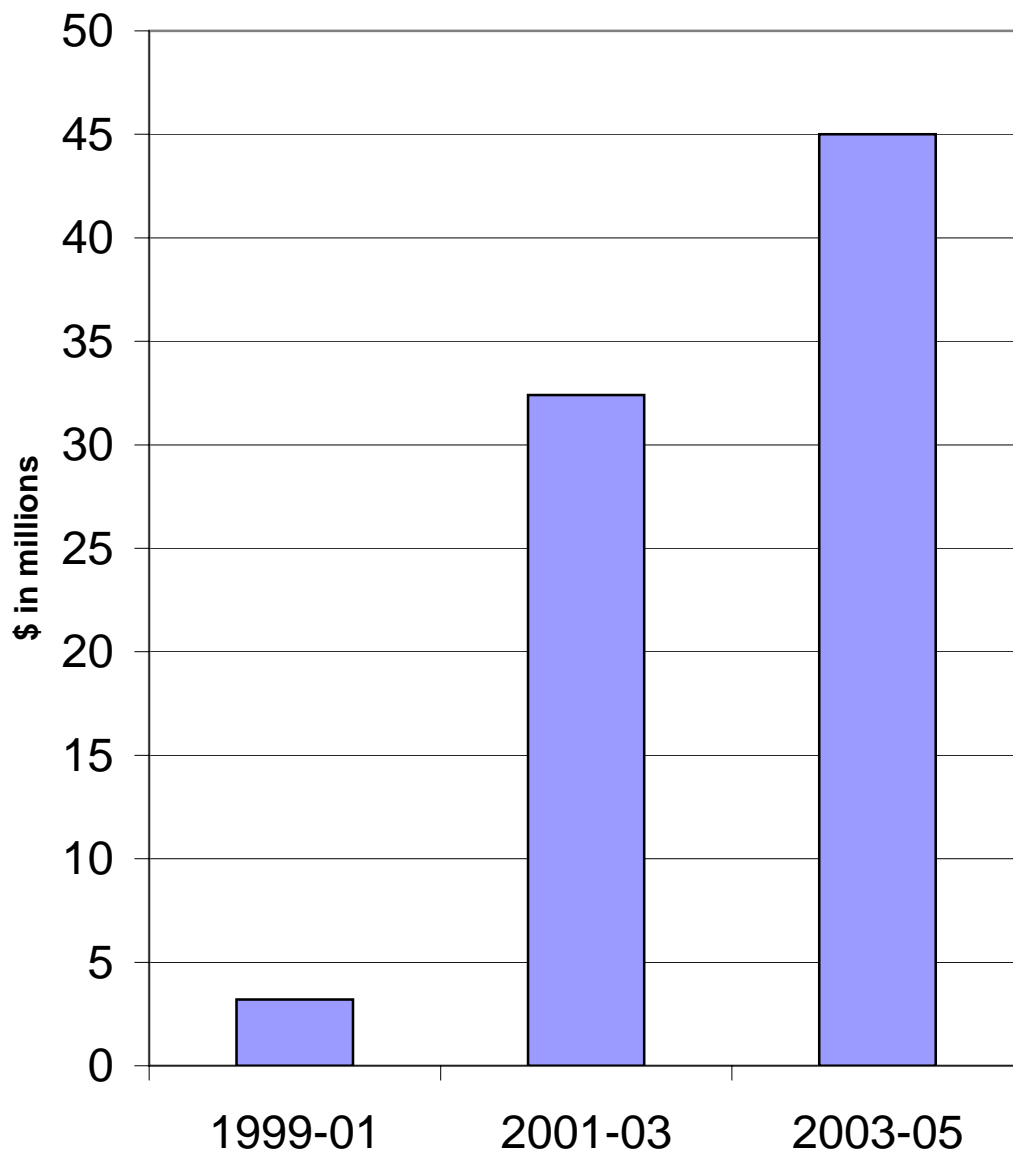
The Legislative Building renovation project is proceeding on a tight budget and schedule. The legislature and other tenants are scheduled to move back in over the last couple months of 2004. The tight schedule and unforeseen conditions discovered over the past several months raise schedule and budget risk which the Department of General Administration is trying to manage.

A recent state Court of Appeals case held that some nonprofit organizations constructing local/community projects are subject to public works requirements. The Department of Community, Trade, and Economic Development (CTED) is reviewing this case to analyze its impact on capital budget programs and projects it administers.

While CTED's statutory grant programs include a competitive application process, member-requested projects administered by CTED do not and have had varying degrees of information available, sometimes making administration of these projects difficult. The committee chair and ranking minority member have requested that members obtain more detailed project information on local/community projects members request to be included in the capital budget. The application they would like used is enclosed.

Local/Community Member-Requested Projects

(administered by CTED)



2003-2005 Local Community Project Legislative Application

Project Name _____

Legislative District _____

Project Contact

Legislative Sponsor:

Name(s) _____

Title _____

Organization _____

Phone: _____ Fax: _____

E-Mail: _____

Mailing Address: _____

Funding Requested \$ _____

(Note: Funds are available on a reimbursement basis only and cannot be advanced.)

Project Information (attach separate page for more detail):

Brief Project Summary, including project location, and the public benefit the project provides:

Start and Completion Dates: _____ to _____

Attachments (Please enclose any materials that further describe the project.)

Eligible Project Type or Phase (Check all that apply to funding requested)

	% of Request
<input type="checkbox"/> Land acquisition	_____ %
<input type="checkbox"/> Demolition and site preparation	_____ %
<input type="checkbox"/> Design	_____ %
<input type="checkbox"/> New Construction	_____ %
<input type="checkbox"/> Renovation	_____ %
<input type="checkbox"/> Other (describe) _____	_____ %
	_____ % <i>(should equal 100%)</i>

Organization Information

	Yes	No
Is applicant registered with the state as a non-profit organization?	<input type="checkbox"/>	<input type="checkbox"/>
Does applicant provide non-residential social services?	<input type="checkbox"/>	<input type="checkbox"/>
Does applicant have current or pending 501(c)(3) IRS registration?	<input type="checkbox"/>	<input type="checkbox"/>

Project Questions

Yes **No**

Is this a joint project?

If yes, has a joint operating agreement been signed? (Documentation required later.)

Is the site owned, optioned for purchase or under a lease of 5 years or more with renewal options? (Documentation required later.)

Has the applicant initiated a capital fundraising campaign?

If yes, what % of matching funds have been secured? _____

What other sources of matching funds are available?

Has the project received previous state funding?

If yes, detail dates, programs and amounts.

Has the project previously applied for and not received state funding?

If yes, detail dates, programs and amounts.

Is the project currently in application for or are there plans to apply for other sources of state funding?

If yes, detail dates, programs and amounts.

If this will not be a completed project after the requested state funding and matching funds are used, describe: (1) what the project will be at the completion of the portion funded by this request and how it will benefit the public; and (2) the phases and schedule for completion of the project.

What source of nonstate funds exist for completion of the project and its ongoing maintenance and operation?

Legislative Sponsor
(Signature) _____

Date _____

HUMAN SERVICES

Overview

"Human services" includes those agencies charged with serving the health and safety needs of the state's population, including the Departments of Social & Health Services, Corrections, Veterans Affairs, and Health. Most human resource 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.

2003 Session

Human services agencies received \$320 million in the 2003-05 capital budget, about 12% of the total budget. Funding was provided for expansion and remodeling of Department of Corrections facilities in response to an increasing inmate population and the need for additional maximum-security beds. A new north complex is funded (\$134 million) at the Washington State Penitentiary (in Walla Walla) to provide 768 million maximum security beds. In addition, \$18 million is provided to remodel 324 medium beds into close custody beds at the Penitentiary, and \$19 million is provided for a new 100 bed intensive management unit at the Monroe facility.

\$44 million was provided to the Department of Social and Health Services to improve facilities for juvenile rehabilitation, mental health facilities, the Special Commitment Center and related regional facility, and includes \$6 million for consolidation and repair of residential habilitation facilities for developmentally disabled persons.

Possible 2004 Issues

The Department of Corrections is requesting, and the Governor is proposing, to begin construction of a 768-bed medium security addition to Coyote Ridge near Connell, Washington. The request is \$45 million for 2004 for design, sitework, and the foundation for the new facility. Another \$90 million likely will be requested for this project in the 2005-07 biennium. Continuing increases in the prison forecast and a need for medium security beds are the primary reasons the department is making this request. Following is a more detailed discussion of this proposal.

Coyote Ridge Medium Security Prison

Location

Coyote Ridge Minimum Security Prison is located in Connell, Washington. The Department of Corrections has received funding in prior biennia to obtain water right options and purchase adjacent property with the expectation that the prison would be expanded on that property. Negotiations are underway for purchase of 66 acres between SR 395 and the prison site. Two other properties totaling 105 acres have already been purchased. Current ownership totals 245 acres.

Relationship to Other Prison Projects

During the 2003 Legislative session the Department of Corrections received funding to develop a net increase in capacity of 768 close security beds and 100 maximum security beds at the Washington State Penitentiary. Although the Department at one time considered locating these beds at Coyote Ridge, it was later determined that close security beds were a better fit at the Washington State Penitentiary because of the long established facility culture in dealing with close custody offenders.

A related project at the Washington State Penitentiary requires that an existing facility housing 432 medium security offenders be razed in order to complete the South Close Security Complex at the Penitentiary, meaning these medium security offenders must be housed elsewhere.

November 2003 Forecast

Anticipated population increases shown in the November 2003 Adult Offender Forecast (an additional 674 offenders above the 2003-2005 budget levels) and reductions in medium security capacity from construction and other issues have increased the demand for medium security beds. There is not current capacity to absorb the offenders from the Penitentiary and accommodate the expected increase in population. As a result, the department believes Coyote Ridge Corrections Center Phase I expansion of 768 medium beds is necessary earlier than originally anticipated.

Proposal

The proposal in the 2004 Supplemental Capital Budget is Phase I of a two phase project. In addition to the 2004 Supplemental request of \$45.6 million, the Department plans to submit a capital request of approximately \$90 million in the 2005-07 biennium for a total project cost of \$138 million. Phase I development includes design of site work and off site improvements as well as the first 768 beds of housing, 100 beds of segregation and core service areas as well as construction of on site grading, roads and utilities and off site improvements. Of the Department's request for \$45.6 million, approximately \$38 million or 83% is for construction of on site civil and utility work as well as off-site road and utility work.

NATURAL RESOURCES

Overview

"Natural resources" includes those agencies responsible for protecting environmental quality (eg. Department of Ecology), providing outdoor recreational opportunities (eg. State Parks and Recreation Commission), and managing state lands and waters for resource production (eg. Department of Natural Resources). Natural resource capital projects include repairing logging roads, grants for sewage treatment plants, recreational trail construction, and salmon recovery efforts.

The natural resources functional area includes funding primarily for the following purposes: environmental protection (pollution prevention and clean-up); water quality and quantity (availability of clean water for drinking, farming, fish, recreational, commercial and other purposes); salmon recovery and wildlife management and protection; and land and resource management (state parks and trustlands).

2003 Session

Natural resources received \$495 million in the 2003-05 capital budget, about 21% of the total. Of this, \$255 million was provided for salmon and water programs, while over \$144 million was provided to improve public access to recreational opportunities and preserve open space and habitat. Major programs include:

Clean Water - Funding was provided for several programs to improve the quality and quantity of water in Washington State for a variety of needs including drinking water, salmon recovery, and recreation. These include \$46 million for the Centennial Clean Water Program, \$111 million for the Water Pollution Control Program, and \$14 million for the Water Supply Facilities Program.

Salmon Recovery - \$71 million was provided specifically for salmon recovery programs. In addition, there are funds for a variety of programs to protect streams, groundwater, and riparian areas that help protect salmon.

Land for Forest, Wildlife and Recreational Purposes - \$45 million was provided for the Washington Wildlife and Recreation Program. \$55 million in state bonds was provided for the Trust Land Transfer Program. \$21 million was provided for making capital improvements in state parks.

Possible 2004 Issues

Salmon recovery and water quality and quantity efforts will be topics in the 2004 session. The Governor's 2004 supplemental budget includes additional funding proposals in these areas. Trust land management and funding will also likely be topics in 2004.

Salmon Recovery Efforts

Initiation of salmon recovery efforts.

The state has general programs and policies in each functional area. In addition, policy-makers occasionally focus on specific issues or tasks that arise in a particular functional area. This is true for salmon recovery efforts in the natural resources area beginning primarily in the late 1990s. Natural resources programs historically have promoted clean and available water, sufficient land/habitat for wildlife and outdoor recreational use, and wildlife management and protection. While these programs benefit salmon and other wildlife generally, the declaration of some salmon and steelhead runs as threatened or endangered under the federal Endangered Species Act (ESA) facilitated more specific salmon recovery efforts in the state. With the listing of salmon, steelhead, and bull trout under ESA, recovery plans by geographic regions are required by federal law.

Keys to salmon recovery.

Salmon recovery is a very complicated and difficult task in a variety of ways. The life-cycle of salmon and other threatened/endangered species, the very large geographical areas of the state that affect just one species, the variety of natural and man-made obstacles that must be addressed, the differing scientific and policy opinions, the large number of government jurisdictions and public and private stakeholders affected, and the monetary and other resources required make salmon recovery efforts very challenging.

Generally, salmon recovery policy efforts focus on the following:

- **Oversight and planning.** This includes state oversight and planning, regional planning, and watershed planning. The planning includes forming the planning organization, defining the problem and recovery goals, developing a plan to accomplish objectives necessary to achieving the recovery goals, implementing the plan, and ongoing assessment of the implementation and making necessary changes. Coordination of planning efforts, jurisdictions, and stakeholders likely will be especially challenging.
- **Habitat protection and restoration.** This includes protecting and restoring river and stream beds themselves, the riparian areas around the rivers and streams, estuaries and other natural habitat, and providing an adequate supply of clean water necessary for the lifecycle of the fish.
- **Hatcheries.** This includes hatcheries management and facilities modifications consistent with salmon recovery efforts.
- **Fisheries management.** This includes harvest management in conjunction with tribes.

ESHB 2496 and ESHB 2514

In anticipation of the ESA actions related to salmon, the legislature enacted two bills in 1998 to focus and launch salmon recovery efforts at the state level.

ESHB 2496 was the Salmon Recovery Act. Among other things, the act: (1) created the Salmon Recovery Office in the Governor's Office; (2) provided for habitat restoration lists and project funding; (3) created an independent science panel; (4) established a workgroup process to develop mitigation proposals; (5) provided for technical assistance; and (6) required a biennial state of the salmon report.

ESHB 2514 provided for integrated watershed planning and management. Among other things, the act: (1) authorized watershed planning for one or more of the 62 water resource inventory areas (WRIAs); (2) outlined items the planning unit should consider and coordinate; (3) provided for water quantity, water quality, and habitat components in watershed planning; (4) allowed consideration of instream flows; (5) included limitations on watershed planning; and (6) provided for approval of watershed plans and financial assistance.

Primary salmon recovery planning and funding organizations

- Federal agencies. (NOAA-Fisheries, U.S. Department of Fish and Wildlife Services).
- State agencies. (Department of Fish and Wildlife, Department of Ecology, State Conservation Commission, Interagency Committee for Outdoor Recreation; the Governor's Salmon Office).
- Regional organizations. (Five of the seven regions have formed regional recovery organizations: the Puget Sound region, the Lower Columbia River region, which was created by statute; the Mid-Columbia region; the Upper Columbia region; and the Snake River region. The Coastal region and the Northeast Washington region have not formed planning organizations.)
- Water resource inventory areas (WRIAs). Formed by the counties, the largest city or cities for multi-county WRIAs, and the largest water supply utility; invite tribes to participate; invite wide range of water resource interests to participate; and lead agencies (designated by the primary organizers of WRIAs to coordinate and facilitate staff and the planning effort).

Salmon recovery funding

It has been difficult to specifically identify the level of salmon recovery funding, primarily because so many traditional natural resource programs indirectly assist salmon recovery efforts. Also, salmon recovery spending occurs in all 3 state budgets. Here is a rough estimate of salmon recovery spending beginning with the 1999-01 biennium:

	<u>1999-01</u>	<u>2001-03</u>	<u>2003-05</u>
Federal	\$125 million	\$100 million	\$65 million
State	<u>\$100 million</u>	<u>\$90 million</u>	<u>\$70 million</u>
Total	\$225 million	\$190 million	\$135 million

Here is an estimate of salmon recovery spending in the 2003-05 biennium:

2003-05 Capital Budget

Department of Ecology

Centennial Clean Water (salmon-related water projects)	\$8 million
Water Supply Facilities Program	\$13.6 million
Water Rights Purchase/Lease	
\$3 million	

IAC

Family Forest Fish Blockage Program	\$2 million
Hatchery management program	\$10 million
Salmon Recovery Fund Board	\$46.4 million
WWRP (estimate of salmon-related)	\$6 million

Fish & Wildlife

Fish & Wildlife population/habitat protection	\$10.4 million
Hatchery reform, retrofits, improvements	\$13.9 million
Internal/External Partnership Improvements (salmon-related mitigation)	\$2 million

DNR

Riparian Open Space Program	\$2.5 million
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State Conservation Commission

Conservation Reserve Enhancement Program	\$2 million
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Total Capital \$ 119.8 million

2003-05 Operating Budget

Governor's Salmon Recovery Office	\$1.1 million
Monitoring Strategy	\$0.5 million
Lead Entities (½ state, ½ federal)	\$3.2 million
DOE watershed planning grants	\$8 million
Regional Planning	<u>\$4.4 million</u>
Total	\$17.2 million

Primary Salmon Recovery Organizations and Funding Process

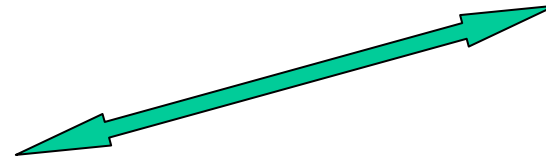
Keys to Recovery
 Water Quality
 Water Quantity/Supply
 Habitat
 Hatcheries
 Harvest



Water Resource Inventory Areas*
 -Lead Entities



Regional Organizations*



State Agencies
 -Fish and Wildlife
 -IAC
 -Ecology
 -Conservation Commission
 -Gov's Salmon Office



Federal Agencies
 -Fish and Wildlife
 -NOAA- Fisheries



Congress
 State Legislature
 Others

* Participants include:
 -Local Governments
 -Water Supply Utilities
 -Tribes
 -Water Resource Stakeholders
 -Others

Process:
 Planning
 -Assess Situation
 -Develop Strategy
 Plan Implementation
 Evaluation

HIGHER EDUCATION

Overview

"Higher education" encompasses the campuses of the state's six four-year universities and the numerous facilities utilized by the 34 individual colleges that make up the community and technical college system.

2003 Session

The legislature appropriated \$759 million for higher education facilities in the 2003-05 capital budget, about 30% of the total budget. Of this amount, \$581 million is financed by state bonds. The legislature passed a separate higher education bond bill authorizing \$750 million in additional bonds for new space and preservation/renovation of existing space. These bonds are expected to be appropriated over approximately 3 biennia, including 2003-05; \$170 million of this was appropriated in 2003.

The legislature also enacted 2ESHB 2151, requiring the 4-year institutions to prioritize their cumulative capital requests in a manner similar to the community and technical colleges, beginning with the 2005-07 budget request.

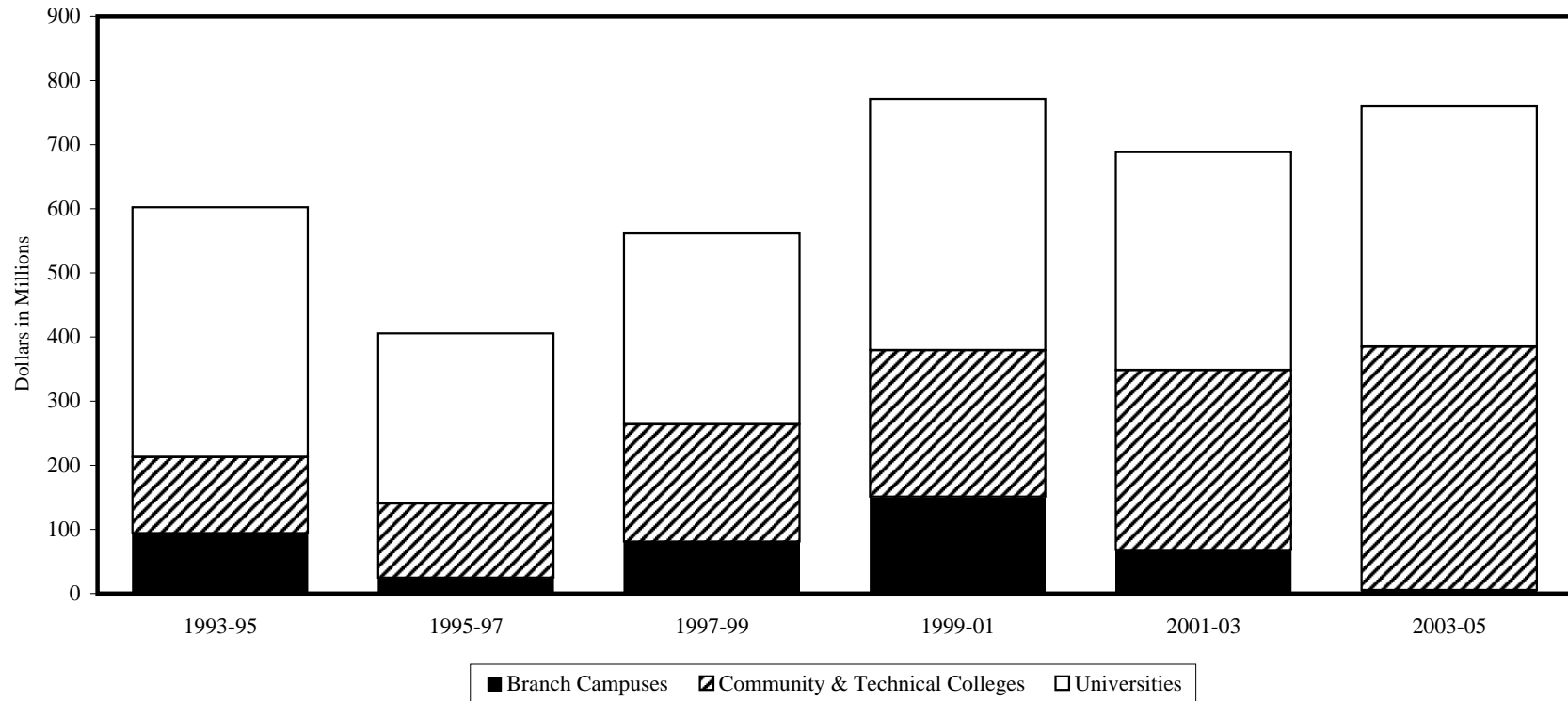
In an effort to focus on preventative maintenance (and assist the operating budget) and focus on the extensive facility preservation backlog, the legislature added provisions on these items to the 2003-05 budget. Funds for building system maintenance traditionally appropriated in the operating budget were appropriated in the capital budget last session.

Potential 2004 Issues

The Governor is proposing to fund approximately \$90 million in additional higher education projects in the 2004 supplemental budget using Gardner-Evans bonds. The prioritized list under 2ESHB 2151 is not required until budget preparations for the 2005 session.

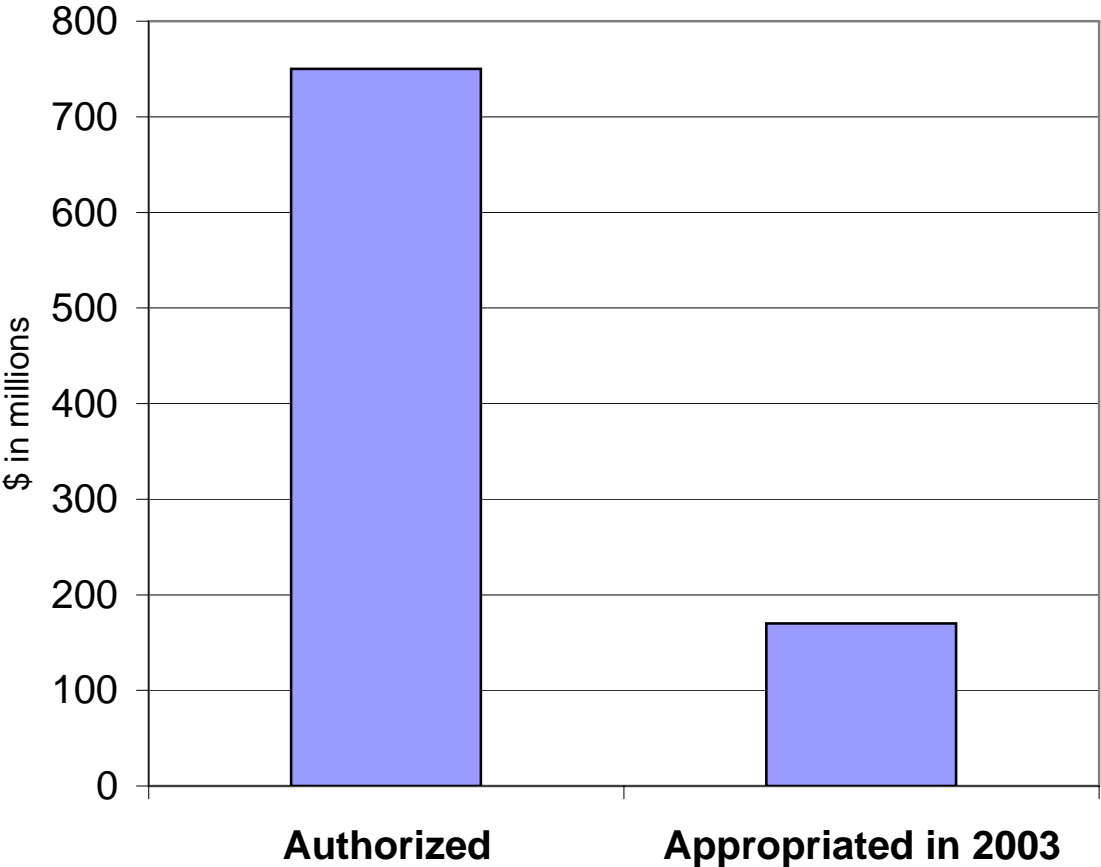
Higher education institutions may ask the legislature to revisit the decision to fund building system maintenance and operating expenses in the capital budget instead of the traditional operating budget. The legislature may also consider greater coordination between the facility backlog reduction approach initiated in 2003 and traditional minor works appropriations.

Higher Education Historical Capital Budget Levels



	1993-95	1995-97	1997-99	1999-01	2001-03	2003-05
Branch Campuses	93,944,782	24,585,000	80,846,876	150,820,000	67,799,000	5,200,000
Community & Technical Colleges	118,839,560	115,971,517	183,178,796	228,554,700	280,529,766	380,007,055
Universities	389,646,903	264,974,855	297,573,538	391,852,249	339,961,678	374,450,144
Total	602,431,245	405,531,372	561,599,210	771,226,949	688,290,444	759,657,199

Gardner-Evans Higher Education Bonds



- Notes:
- (1) Bond bill (SSB 5401) states intent is to augment traditional capital budget appropriations.
 - (2) Bond bill intends to enhance enrollment capacity by funding new space or maintaining usefulness of existing space through preservation and renovation.
 - (3) These bonds are expected to be appropriated over 3 biennia.

EDUCATION

Overview

"Education" includes state support for the construction of public schools by local school districts, as well as funding for the museums operated by the state historical societies. A small portion of funding is also provided to support the facilities used by the state schools for deaf and blind children. The biennial appropriation for school construction is generally the single largest appropriation in the Capital Budget.

The state assistance to local school districts for construction and renovation of public schools is provided through a formula based primarily on eligible square feet and a construction cost allowance. The state matches some, but not all, of the district's capital expenses for a project, and districts are eligible for state assistance only if they have a local match (usually a local bond authorization). In addition, the state provides funds to local districts based on an equalization policy, where districts with fewer resources receive a greater state match. While the state match is 50% based on the state formula, the actual match is around one-third of the districts' eligible costs because the formula does not recognize what the districts indicate their actual costs per square foot are and their actual space needs per student.

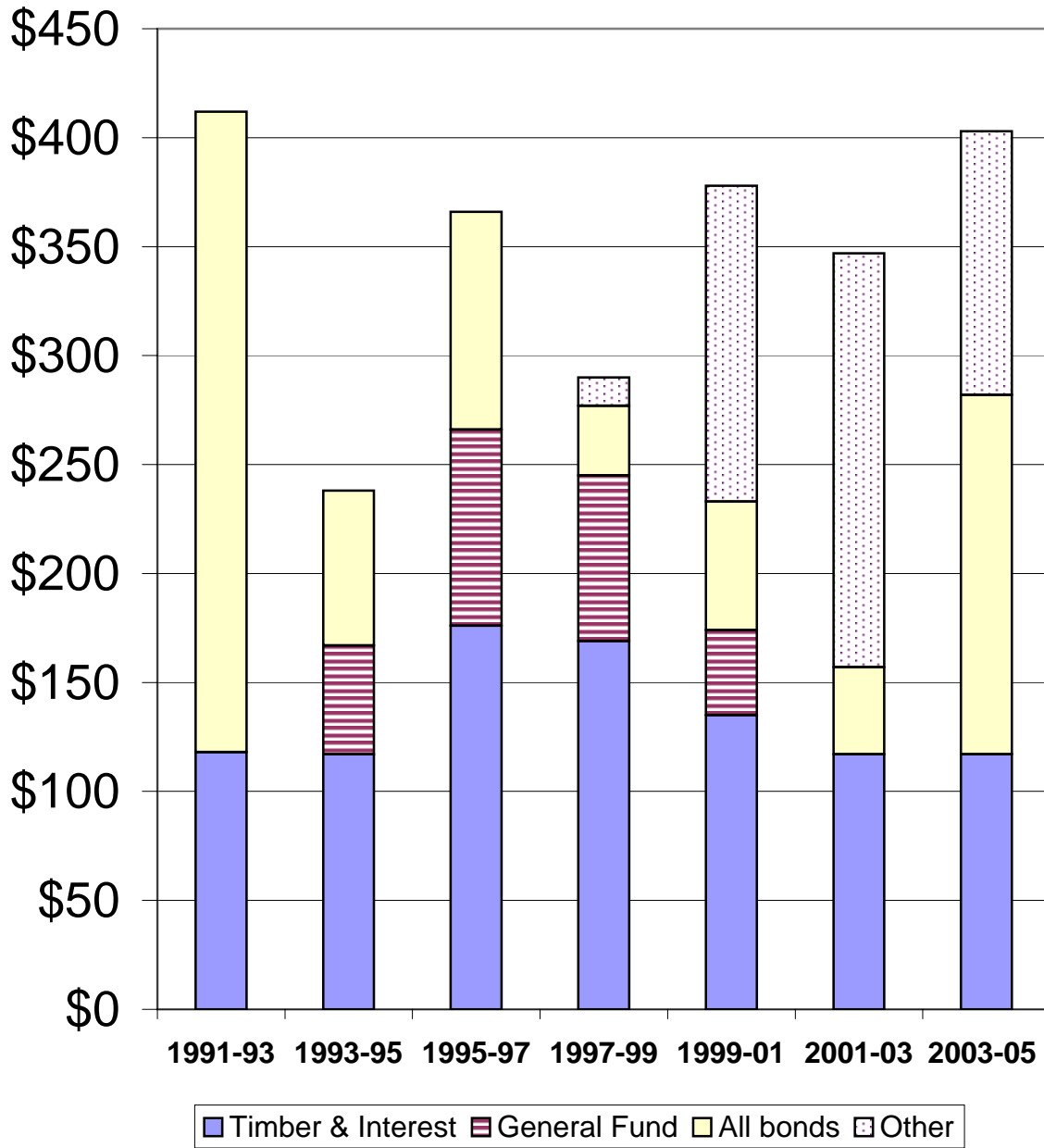
2003 Session Summary

The legislature appropriated \$415 million for this area, or 16% of the total budget; of this amount, \$405 million was for K-12 public school construction assistance. The legislature increased the school construction assistance to public schools by providing funds to increase the area cost allowance component of the state formula.

Potential 2004 Issues

Due to the magnitude of the state's school construction assistance program, the State Board of Education prefers to maintain a large cash balance in the Common School Construction Fund. The cash balance is expected to decrease by \$11 million to about \$34 million due in part to lower trust revenues.

Capital Budget K-12 School Construction Appropriations (\$ in millions)



Bond Capacity Alternatives

The debt limit is a consideration in capital budgeting

The amount of state bonds that can be issued in any year is limited by a constitutional debt limit and a statutory debt limit. The annual debt service (principal and interest payments) on outstanding bonds cannot exceed 9% of the three year average of general state revenues under the constitution and 7% under the statutory limit. When writing capital budgets, the legislature considers debt capacity to ensure the debt limit does not become an issue in implementing capital budgets. Bonds are issued over the four or more years it typically takes to design and construct a major project, so the legislature must plan for bond capacity for several years into the future.

Bond capacity increased in the 2003 Session

In the last several years, a capital budget proposal like the Governor's 2004 supplemental budget proposal that required a bond bill to fund new appropriations would raise the question regarding whether sufficient bond capacity under the 7% statutory debt limit exists. HB 2242 in 2003 increased bond capacity by adding property taxes to the definition of general state revenues, effectively making the 7% limit the same as the higher 9% constitutional debt limit. The proposed 2004 bond bill would cause the debt service percentage of general state revenues to grow slightly to average about 8.5% over the next several years. If the Legislature decides to agree with the Governor and pass a 2004 bond bill, the impact on debt capacity will be at the margins since the amount likely will be small in relative terms. However, the 2004 bond bill decisions will be made in the context of a potentially much more difficult and challenging decision regarding the 2005-07 capital budget a year from now.

Despite capacity increase, decisions/challenges remain

The conferees' plan in developing the final 2003-05 capital budget was to adopt a base capital budget, excluding Gardner-Evans, of about \$1.2 billion for 2003-05 to accommodate the 768-bed prison expansion at the Penitentiary in Walla Walla and other items, then go back to a base of about \$1 billion to stay within a working debt limit of 8.5% (except for the 2007 pinch point). In that regard, the Gardner-Evans bond proposal was reduced from \$1 billion to \$750 million to accommodate the Transportation bonds and stay within the 8.5% working limit. To stay within an 8.5% working debt limit in 2005-07 will require a base bond-financed capital budget of about \$1 billion, a decrease in the 2003-05 base budget of \$180 million and a decrease of \$250 million if the Governor's 2004 proposed supplemental budget level is included.

To maintain an 8.5% working debt limit, the challenge in 2005-07 will be similar to the 2003-05 budget before the Gardner-Evans proposal facilitated legislation to increase bond capacity. The 2003-05 budget included a large prison expansion and used bonds to help fund K-12 construction assistance. In the base bond-financed budget under an 8.5% working debt limit of \$1 billion in 2005-07 (excluding Gardner-Evans), \$90 million could go to expanding Coyote Ridge and \$130 million for K-12 construction, leaving \$780 million for the rest of the capital budget. This compares to \$966 million in 2001-03 for the rest of the budget and about \$950 million in 2003-05. This is illustrated as follows (\$ in millions):

	<u>01-03</u>	<u>03-05</u>	<u>03-05 (Gov Supp)</u>	<u>05-07</u>
Base*	966	930	955	780
Prison**	0	130	175	90
K-12	<u>0</u>	<u>120</u>	<u>120</u>	<u>130</u>
Total	966	1,180	1,250	1,000

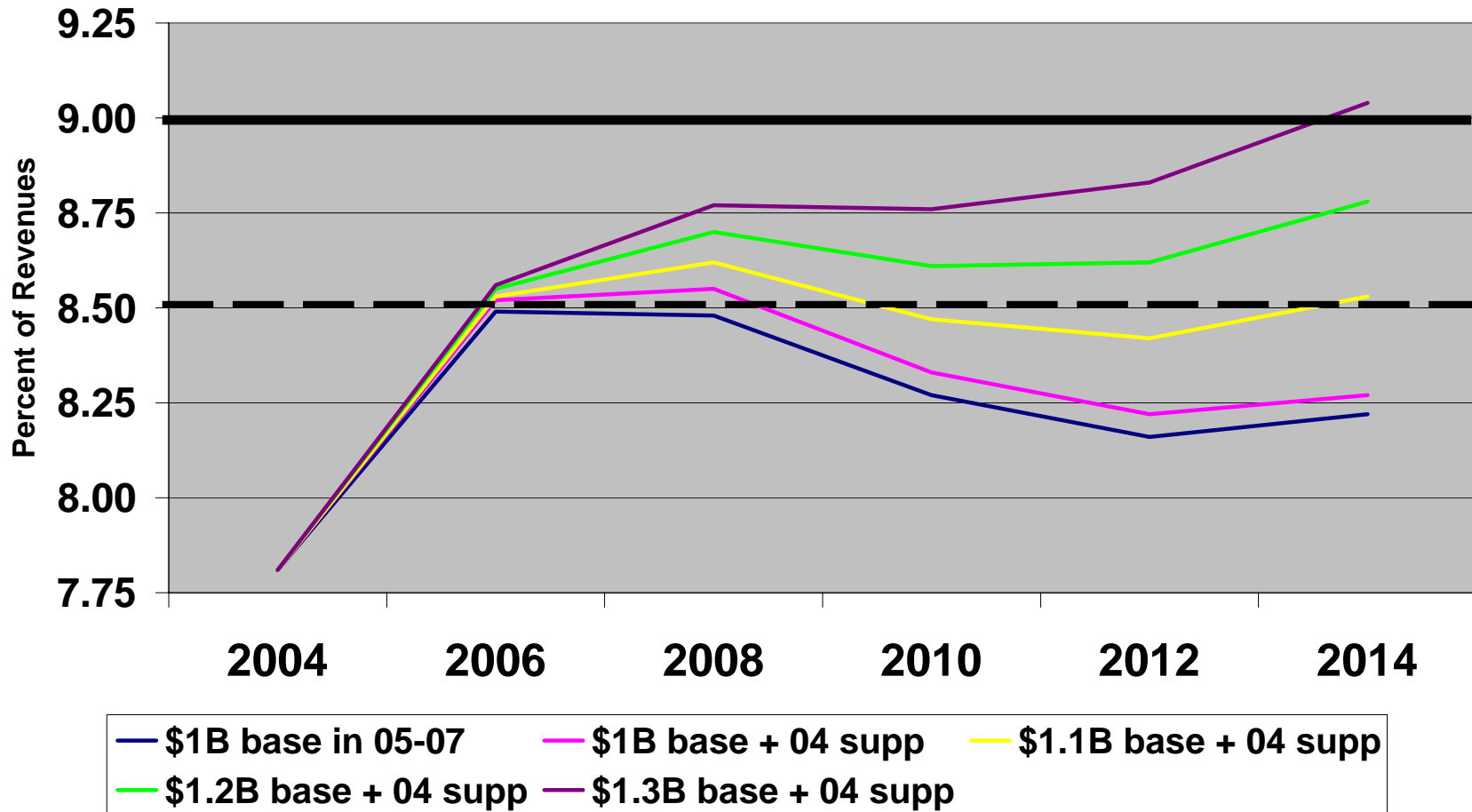
* This is the bond-financed base without Gardner-Evans, prison expansion, or K-12.

** The penitentiary in 2003-05, Coyote Ridge in the 2004 supplemental and 2005-07.

Should the Legislature choose to revisit the 8.5% limit for 2005-07, it could consider a variety of alternatives; a few are illustrated in the enclosed chart. For example, a base bond-financed capital budget of \$1.2 billion instead of \$1 billion starting in 2005-07 results in a debt service percentage that is between 8.5% and 8.75% until reaching 8.75% in 2014 based on current assumptions. In deciding on whether to stick to the working debt limit, key considerations could include the substantial fiscal problems that will occur if the state reaches the 9% limit for any length of time, and how much of a cushion or reserve should there be to accommodate emergencies/disasters, unforeseen events, and higher interest rates or reduced revenues. An example of a potential unforeseen event is the recent discussion on guaranteed leases. While there is widespread agreement that guaranteed leases generally are not debt, had the analysis of this question turned out differently and these leases be considered debt by the Treasurer, most of the current available debt capacity would be gone and the state would be much closer to the 9% limit now.

Debt Limit Comparisons

(Estimated using 2005-07 base budget)



Note: The base budget is bond-financed appropriations excluding Gardner-Evans and transportation bonds.
 The Constitutional debt limit is 9.0%. A working debt limit of 8.5% was agreed on in 2003.

Other Considerations in Writing a Capital Budget

Major applicable state constitutional provisions

- One subject rule. Article 2, section 19 requires that a bill contain one subject and that subject be embraced in its title. The first part of the test requires a rational unity between the subparts of a bill; the second part requires that the subject be expressed in the bill title to give legislators notice of what the bill is about. Since budget bills have broad titles, such as "an act related to adopting a capital budget" or "an act relating to fiscal matters," courts traditionally have given the legislature a significant amount of latitude in this area and generally allow any subject reasonably germane to the budget to be included in the bill. However, this constitutional provision also restricts the legislature from making substantive law in the budget bill. (The courts generally consider three things when determining if a budget provision is substantive law: (1) whether it affects rights or liabilities; (2) whether it has been included in other legislation; and (3) whether it appears to outlast the biennium covered by the budget.)
- Appropriation Requirement. Article 8, section 4 requires an appropriation in legislation before money from funds and accounts in the state treasury may be expended. There are three parts to this: (1) it prohibits expenditures out of the state treasury without an appropriation; (2) it makes an appropriation temporary in nature (for that biennium including a 25th month); and (3) it requires each appropriation to specify an amount and a purpose. A few processes permit state agencies to make expenditures without an appropriation. Some accounts are non-appropriated and in the custody of the state treasurer and generally do not require a specific appropriation if the legislature establishes the account in that manner. Also, a statutory "unanticipated receipts" process permits expenditure of some non-state moneys without an appropriation if not anticipated in the budget and the legislature is notified and given an opportunity to comment.
- Lending of credit prohibition. Article 8, sections 5 and 7 prohibit the state and local governments from making gifts, loans, or otherwise providing credit or guarantees to or on behalf of individuals or non-government entities unless it is to assist the poor or infirm. These provisions are in addition to the Article 8, section 1 requirement that tax receipts be spent for a public purpose. When public funds go to non-government entities for purposes other than assisting the poor or infirm, the spending: (1) must be for a fundamental government purpose (such as the welfare of children); or (2) if not for a fundamental government purpose, the expenditure cannot be a loan or guarantee and must have adequate consideration. The private benefit must be incidental to the larger public benefit. Historically, public programs/expenditures that benefit a few individuals or businesses generally are considered more suspect by the courts, while public

programs/expenditures that assist a large number of individuals are likely to be upheld by the courts. Expenditures with a clear purpose addressing a clear need, choosing the most reasonable fiscal/policy approach with safeguards to ensure the public purpose is accomplished are more likely to withstand a lending of credit challenge. Legislative acts, including appropriations in budget bills, are presumed to be constitutional by the courts.

- Governor Veto. Article 3, section 12 outlines the governor's veto power. Generally, for substantive/policy bills, the governor must veto an entire section. For budget bills, the governor cannot veto less than an entire proviso or subsection (an item). The governor's veto of budget items may result in a reduction of the appropriation; this applies to provisos which earmark funds within a lump sum appropriation.
- Debt limit. Article 8 section, 1 establishes a state debt limit. The debt limit is described in detail in other areas of this briefing book.

Other Items

- Operating expenses in the capital budget. There are several gray areas regarding whether a specific expenditure is more appropriately an operating expense or a capital expense. These areas include project administration expenses and FTEs, some building maintenance expenses, equipment, capital-related studies and planning efforts, etc. While there are some items in the capital budget that could be categorized as operating expenses, this appears to be a small part of the overall budget (except for the \$52 million appropriated for higher education facility maintenance), especially for those projects funded using state bonds. One of the areas of concern raised in the 2003 session was equipment. At the legislature's request, the Office of Financial Management developed criteria it recommends to be used for decisions on funding equipment in the capital budget. That recommendation is enclosed.
- Minor works appropriations. Minor works appropriations are one lump sum to cover numerous similar small projects costing between \$25,000 and \$1 million. Minor works appropriations fall into 4 categories: health, safety, and code requirements; facility preservation; infrastructure preservation; and 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.

Some agencies may not always be following the intent of minor works appropriations or the required OFM approval process. Examples include using minor works funds to acquire land/facilities and to cover costs on major projects.

Equipment Criteria for Capital Budgets

Definition of Equipment

Equipment, as defined in the State Administrative and Accounting Manual (SAAM), is tangible property other than land, buildings, improvements other than buildings, or infrastructure, which is used in operations and with a useful life of more than one year. Examples are furnishings, equipment, and software. Equipment may be attached to a structure for purposes of securing the item, but unless it is permanently attached to, or an integral part of, the building structure, it is classified as equipment and not buildings (<http://www.ofm.wa.gov/policy/glossary.htm>). Useful lives for equipment are documented in the SAAM (<http://www.ofm.wa.gov/policy/30.50.htm>).

Categories of Equipment

For purposes of capital budgeting, there are four categories of equipment.

- 1) Built-in equipment is permanently attached to the building or improvement, without which the building or improvement will not function. It is an integral part of the structure and for purposes of classification is considered part of the structure. Built-in equipment is generally included in the base construction budget and estimate (section C of the C-100, Agency/Institution Project Cost Estimate). Examples of built-in equipment are plumbing fixtures and heating and electrical equipment.
- 2) Fixed equipment is attached to the building or improvement for purposes of securing the item and contributes to the facility's function. Fixed equipment is generally included in the base construction budget and estimate (section C of the C-100, Agency/Institution Project Cost Estimate). Examples of fixed equipment include shelving, cabinets, and bolted furniture.
- 3) Movable equipment is equipment necessary for the functioning of the building or improvement and remains with the facility in support of a program, but is not attached to the building or improvement. Movable equipment is generally included in a separate equipment budget and estimate (section D of the C-100, Agency/Institution Project Cost Estimate). Examples of movable equipment include desks and computers.
- 4) Temporary equipment is equipment that is planned to be used in a building or improvement for a period less than its useful life. An example of temporary equipment is the use of research equipment for a short-term project.

Guidelines

The following guidelines will be utilized to determine the eligibility of equipment as a capital expenditure.

- 1) Built-in equipment is an eligible capital expenditure.

- 2) If the building or improvement is constructed/improved for new program requirements with no existing operating budget, fixed and movable equipment to provide a complete, functioning facility are eligible as a capital expenditure if:
 - A) the average useful life of the total equipment purchase is 13 years or more if bond funds are utilized, or
 - B) the useful life of the equipment is one year or more if cash is utilized.
- 3) If the building or improvement is constructed/improved for use or relocation of an existing program, fixed and movable equipment costs are eligible if:
 - A) the average useful life of the total equipment purchase is 13 years or more if bond funds are utilized or
 - B) the useful life of the equipment is one year or more if cash is utilized, and
 - C) the existing program equipment is inventoried and documented that it cannot meet the requirements of the new facility.
- 4) Temporary equipment is an eligible capital expenditure if the equipment fits one of the categories above and the disposal proceeds are recovered by the fund that originally financed the purchase of the equipment.
- 5) Individual components of a system are considered eligible if they are dedicated or proprietary components of a larger system and the larger system is eligible as a capital expenditure. Examples include dedicated software and control systems to support heating and ventilation units.
- 6) Exceptions will be made on a case-by-case basis.
- 7) The Office of the State Treasurer's lease/purchase program should be considered for non-eligible equipment.

Non-Eligible Equipment Expenses

Consumable inventories as defined in the SAAM are supplies consumed in the course of an agency's operation or incidental items held for resale (<http://www.ofm.wa.gov/policy/glossary.htm>). Consumable inventories are not eligible capital expenditures. Examples include office, janitorial, chemical supplies, and laboratory glassware.

Software is not an eligible expenditure if it is not dedicated to the control of a specialized system supporting a program. Examples that are not eligible include word processing and project management software.

Spare or replacement parts and equipment are not eligible expenditures.

Traditionally funded operating equipment or specifically prohibited equipment such as fax machines, copiers, custodial equipment, rolling stock, and grounds equipment are not eligible expenditures.

The cost of moving furniture, equipment, and supplies between facilities is not an eligible capital expenditure.

Master Planning

Master Planning and Strategic Planning

A master plan considers future facility and infrastructure needs which are generated by an agency's mission statement, strategic plan and, in the case of higher education, corresponding academic program. The strategic plan is the framework for the master plan. It answers the question of "Where do you want to go?"

Without a strategic plan, a master plan responds only to existing programs and existing

buildings; it reacts only to the status quo rather than anticipating what an agency must do in the future and how it must change to accomplish its objectives.



Capital and Operating Budgets

One of the chief benefits of master planning is that when properly done, it enables an agency to better coordinate operating and capital budgets and timing of large expenditures. This provides opportunities for better decision making, better use of existing land and facilities, avoids waste and disruption resulting from piecemeal projects, and helps to establish a realistic schedule and capital budget.

Master Plans Currently in Development

The Legislature has funded several initial master plans and master plan updates. During the 2003 session, the Department of Corrections, Department of Social and Health Services and Department of General Administration received funding for one or more master plans and some community colleges were directed to use project funds to amend master plan documents and complete infrastructure planning to maintain consistency between strategic and facilities master plans.

The Department of Corrections will focus on a statewide master plan which will also include an analysis of forecasted offender population growth by gender and custody level, including medical, infrastructure and facility needs.

The Department of Social and Health Services is undertaking two related master planning efforts: Juvenile Rehabilitation Administration and an acute mental health unit and program. This planning effort will focus on optimum sizing of the program based on declining overall population with an increasing need for mental health treatment.

The Department of General Administration will update its existing state capitol master plan which is over 10 years old. The Department seeks additional funding in the supplemental budget to complete this update.

Governor's 2004 Supplemental Capital Budget Request New Appropriations

	State Bonds		Total Appropriated	
	Agency Request	Gov Proposed	Agency Request	Gov Proposed
Governmental Operations				
Office of the Secretary of State				
Eastern Regional Archives Construction Cost Overrun	0	0	589,203	0
Total	0	0	589,203	0
Dept Community, Trade, Econ Dev				
Drinking Water Assistance Account	6,000,000	0	6,000,000	0
Drinking Water SRF - Approp of Repayment Funds and Interest	0	0	4,200,000	4,200,000
Historic Courthouse Rehabilitation Grant Program	10,000,000	0	10,000,000	0
Lewis and Clark Confluence Project	0	5,000,000	0	5,000,000
Total	16,000,000	5,000,000	20,200,000	9,200,000
Dept of General Administration				
Cherberg Building: Rehabilitation	4,800,000	0	5,000,000	0
Earthquake Repair	0	0	738,500	738,500
Emergency Repairs	300,000	0	300,000	0
Engineering & Architectural Services	3,227,000	3,227,000	0	0
GA Building Rehabilitation	0	0	400,000	400,000
Minor Works - Facility Preservation: Statewide	350,000	0	1,785,000	1,435,000
State Capitol Master Plan Update	0	0	100,000	100,000
Transportation Building Preservation	0	0	550,000	550,000
Total	8,677,000	3,227,000	8,873,500	3,223,500
Total Governmental Operations	24,677,000	8,227,000	29,662,703	12,423,500

Governor's 2004 Supplemental Capital Budget Request

New Appropriations

	State Bonds		Total Appropriated	
	Agency Request	Gov Proposed	Agency Request	Gov Proposed
Human Services				
Dept of Social and Health Services				
Eastern State Hospital-Administration Building: Renovation	300,000	0	300,000	0
Maple Lane School-Multi-Services Building: Renovation	5,000,000	0	5,000,000	0
Western State Hospital-Central Campus: Redevelopment	300,000	0	300,000	0
Western State Hospital-Laundry: New Construction	650,000	0	650,000	0
Total	6,250,000	0	6,250,000	0
Department of Health				
Drinking Water Assistance Program	0	0	18,100,000	18,100,000
Public Health Labs: HVAC Systems Upgrades	2,352,000	0	2,352,000	0
Total	2,352,000	0	20,452,000	18,100,000
Department of Corrections				
Coyote Ridge Corrections Center: Expansion	45,642,051	45,642,051	45,642,051	45,642,051
Minor Works - Health, Safety and Code	0	-250,000	0	-250,000
Statewide-Water System Plans	110,000	110,000	110,000	110,000
WCCW - Special Needs Unit Sewer Capacity Connection Fee	140,000	140,000	140,000	140,000
Total	45,892,051	45,642,051	45,892,051	45,642,051
Total Human Services	54,494,051	45,642,051	72,594,051	63,742,051
Natural Resources				
Department of Ecology				
Basin Flow Achievement and Protection Programs	4,000,000	4,000,000	4,000,000	4,000,000
Centennial Clean Water Program	0	-1,500,000	0	-1,500,000
Irrigation Efficiencies	2,500,000	1,500,000	2,500,000	1,500,000
Local Toxics Grants to Locals for Cleanup and Prevention	0	0	2,050,000	2,050,000
Padilla Bay Expansion	0	0	0	144,932
Quad City Water Right Mitigation	2,750,000	2,750,000	2,750,000	2,750,000
Reclaimed Water Projects - City of Buckley	18,500,000	225,000	18,500,000	225,000
Sunnyside Valley Irrigation District Water Conservation	9,230,000	525,000	9,230,000	525,000

Governor's 2004 Supplemental Capital Budget Request

New Appropriations

	State Bonds		Total Appropriated	
	Agency Request	Gov Proposed	Agency Request	Gov Proposed
Water Conveyance Infrastructure Projects	6,500,000	8,300,000	6,500,000	8,300,000
Water Pollution Control Program	0	0	1,590,891	1,590,891
Total	43,480,000	15,800,000	47,120,891	19,585,823
State Parks and Recreation Comm				
BOR Grant - Potholes & Steamboat Rock Renovation	0	0	100,453	0
Cama Beach Construction	2,000,000	0	2,000,000	0
Critical Infrastructure Repairs	6,921,000	0	6,921,000	0
Fish Passage Barrier Removal	600,000	0	600,000	0
Ft. Worden Multipurpose Building	410,000	0	410,000	0
Iron Horse Trail	262,500	-262,500	262,500	-262,500
Leadbetter Point Restoration	0	0	107,933	0
Sacajawea Interpretive Center	500,000	0	500,000	0
Spokane River Centennial Trail	0	0	212,100	0
Unforeseen Needs	350,000	0	850,000	500,000
Total	11,043,500	-262,500	11,963,986	237,500
Interagency Comm for Outdoor Rec				
Firearms and Archery Range Recreation Program (FARR)	0	0	100,000	100,000
State Conservation Commission				
Conservation Reserve Enhancement Program (CREP)	2,500,000	2,000,000	2,500,000	2,000,000
Conservation Reserve Enhancement Program - Loans	0	0	0	500,000
Livestock Influenced Water Quality Program	0	0	1,000,000	0
Total	2,500,000	2,000,000	3,500,000	2,500,000
Dept of Fish and Wildlife				
Facility, Infrastructure, Lands, and Access Condition Improvement	0	0	1,426,000	250,000
Fish & Wildlife Opportunity Improvements	0	0	300,000	300,000
Statewide Kokanee Production, Phase 2 Design & Permitting	720,000	0	720,000	0
Wind Power Mitigation	500,000	0	500,000	0
Total	1,220,000	0	2,946,000	550,000

Governor's 2004 Supplemental Capital Budget Request

New Appropriations

	State Bonds		Total Appropriated	
	Agency Request	Gov Proposed	Agency Request	Gov Proposed
Department of Natural Resources				
Community and Technical College Trust Land Acquisition	0	0	400,000	269,000
Total Natural Resources	58,243,500	17,537,500	65,930,877	23,142,323
Transportation				
Washington State Patrol				
Prosser/I-82 Construct Weigh Station & Inspection Building	0	0	500,000	0
Higher Education				
University of Washington				
Classroom Improvements	5,000,000	0	5,000,000	0
Guthrie Hall Psychology Facilities Renovation	3,000,000	3,000,000	3,000,000	3,000,000
Infectious Disease Laboratory Facilities	4,000,000	4,000,000	4,000,000	4,000,000
Photonics Research Laboratory Facilities	4,300,000	4,300,000	4,300,000	4,300,000
UW Bothell Offramp	5,000,000	0	5,000,000	0
UW Campus Communications Infrastructure	0	8,500,000	0	8,500,000
UW Emergency Power Expansion - Phase II	7,813,164	7,813,164	7,813,164	7,813,164
UW Life Sciences II Building	2,000,000	2,000,000	2,000,000	2,000,000
Total	31,113,164	29,613,164	31,113,164	29,613,164
Washington State University				
WSU Pullman - Wastewater Reclamation Project: Infrastructure	3,400,000	3,400,000	3,400,000	3,400,000
WSU Pullman - WSUnet Infrastructure	4,000,000	6,000,000	4,000,000	6,000,000
WSU Spokane Riverpoint - Academic Center Bldg: New Facility	20,000,000	6,650,000	20,000,000	6,650,000
Total	27,400,000	16,050,000	27,400,000	16,050,000
Eastern Washington University				
EWU Senior Hall Renovation -- Phase 2	8,120,012	8,120,012	8,120,012	8,120,012
Total	8,120,012	8,120,012	8,120,012	8,120,012

Governor's 2004 Supplemental Capital Budget Request

New Appropriations

	State Bonds		Total Appropriated	
	Agency Request	Gov Proposed	Agency Request	Gov Proposed
Central Washington University				
CWU/Des Moines Higher Education Center	2,000,000	2,000,000	2,000,000	2,000,000
Minor Works - Health, Safety and Code	0	0	450,000	450,000
Van Tassel Remodel (WVC)	1,500,000	0	1,500,000	0
Minor Works - Infrastructure Preservation	0	0	713,500	713,500
Total	3,500,000	2,000,000 0	4,663,500	3,163,500
The Evergreen State College				
Lab I First Floor - Class/Laboratory Renovation	0	3,100,000	0	3,100,000
Minor Works - Health, Safety, and Code	1,600,000	0	1,600,000	-1,600,000
Total	1,600,000	3,100,000 0	1,600,000	1,500,000
Western Washington University				
Bond Hall Renovation/Asbestos Abatement	4,900,000	4,900,000	4,900,000	4,900,000
Communications Building Savings	0	-4,000,000	0	-4,000,000
College Hall Renovation	3,000,000	3,000,000	3,000,000	3,000,000
Total	7,900,000	3,900,000	7,900,000	3,900,000
Community/Technical College System				
Bellingham Technical College: Welding/Auto Collision Replacement	14,357,000	14,357,000	14,357,000	14,357,000
Grays Harbor College: Replacement-Instructional Building	19,471,749	19,471,749	19,471,749	19,471,749
Peninsula College: Replacement Science and Technology Building	1,134,000	1,134,000	1,134,000	1,134,000
Total	34,962,749	34,962,749	34,962,749	34,962,749
SIRTI (Spokane Intercollegiate Research & Technology Institute)				
Ground Floor Repairs and Energy Upgrades	470,754	470,754	470,754	470,754
Total Higher Education	115,066,679	98,216,679 0	116,230,179	97,780,179

Governor's 2004 Supplemental Capital Budget Request

New Appropriations

	State Bonds		Total Appropriated	
	Agency Request	Gov Proposed	Agency Request	Gov Proposed
Other Education				
State Board of Education				
School Construction Assistance Grant Program	10,900,000	0	10,900,000	0
State School for the Blind				
Kennedy Building Replacement	2,318,000	0	2,318,000	0
State School for the Deaf				
Preservation of Buildings	89,000	0	89,000	0
Safety Issues	1,276,000	0	1,276,000	0
Total	1,365,000	0	1,365,000	0
East Wash State Historical Society				
Cheney Cowles Museum: Addition and Remodel	1,200,000	1,200,000	1,200,000	1,200,000
Total Other Education	15,783,000	1,200,000	15,783,000	1,200,000
Projects Total	268,264,230	170,823,230	300,700,810	198,288,053

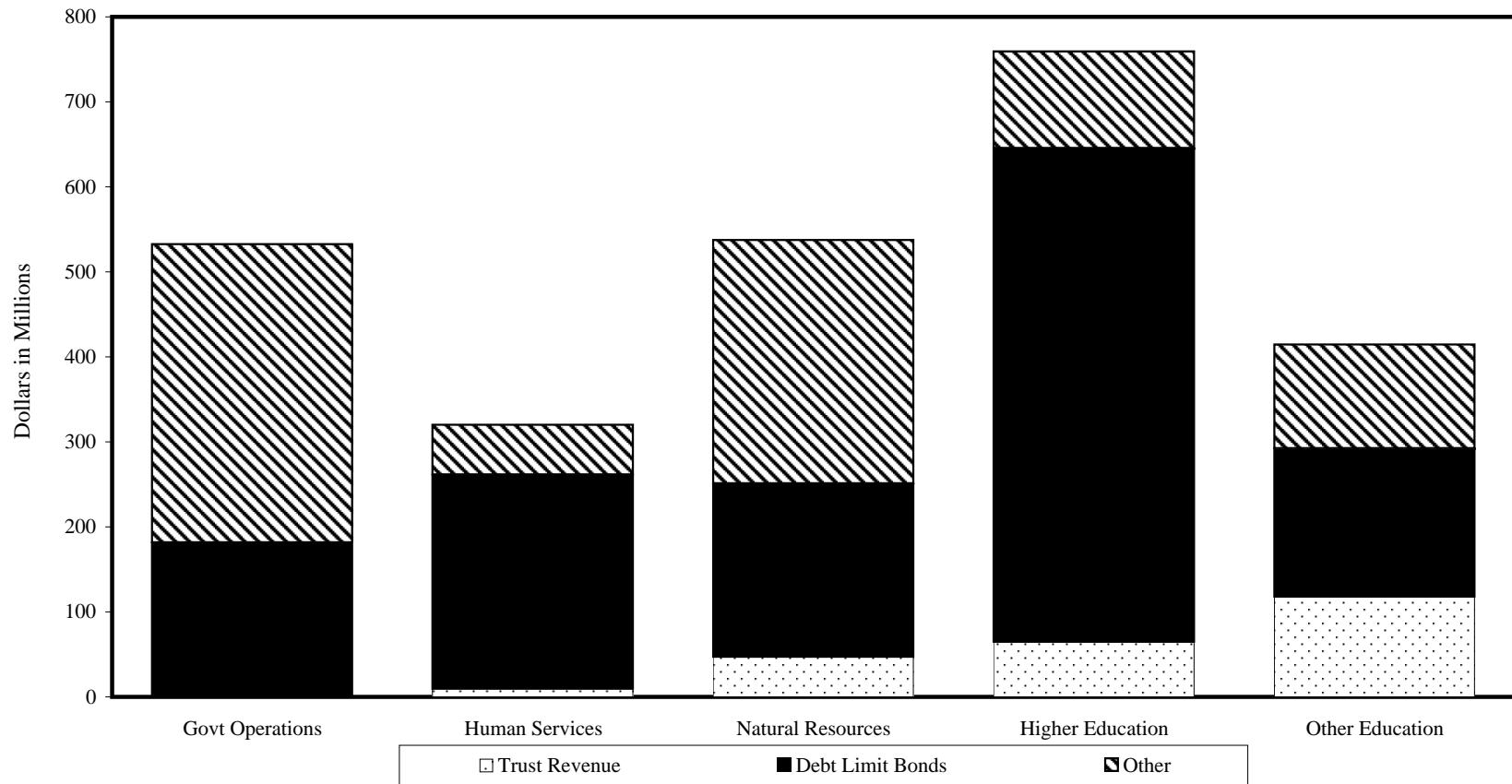
Governor's 2004 Supplemental Capital Budget Request

New Appropriations

	State Bonds		Total Appropriated	
	Agency Request	Gov Proposed	Agency Request	Gov Proposed
Notes: (1) Local/community projects requested but not funded:				
(a) Northwest Kidney Center (Lk Washington Center)	300,000			
(b) McCaw Hall	4,500,000			
(c) Seike Memorial Japanese Peace Garden-Sea-Tac	234,000			
(d) Metro Parks of Tacoma	500,000			
(e) Inland Northwest Science and Technology Center	7,000,000			
 (2) COPs authorized in Gov's budget request:				
(a) CTC - Pierce College Student Rec Center	5,000,000			
(b) CTC - Pierce College Fitness and Rec Center	8,000,000			
(c) Columbia Basin Medical Technology Complex	8,000,000			
 (3) COPs requested but not authorized in Gov's budget:				
(a) DOC Airway Heights CC	4,500,000			
(b) St Parks - Cama Beach development	1,300,000			

2003-05 Capital Budget

Functional Area Funding By Fund Source



	Govt Operations	Human Services	Natural Resources	Higher Education	Other Education
Trust Revenue	140,000	9,465,000	46,978,500	64,712,540	117,600,000
Debt Limit Bonds	181,521,953	251,828,330	204,083,604	580,933,170	174,788,200
Other	351,028,000	58,852,700	286,555,879	113,790,487	122,156,903
Total	532,689,953	320,146,030	537,617,983	759,436,197	414,545,103
Trust Revenue	0.0%	3.0%	8.7%	8.5%	28.4%
Debt Limit Bonds	34.1%	78.7%	38.0%	76.5%	42.2%
Other	65.9%	18.4%	53.3%	15.0%	29.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

2003-05 Capital Budget

	State Bonds		Total Appropriated Funds	
	New Appropriations	Reappropriations	New Appropriations	Reappropriations
NEW PROJECTS				
Governmental Operations				
Jt Leg Audit & Review Committee	500,000	164,000	500,000	164,000
Public Disclosure Commission	270,172	0	270,172	0
Office of the Secretary of State	100,000	0	100,000	0
Office of the State Auditor	0	0	100,000	0
Dept Community, Trade, Econ Dev	139,438,780	24,371,300	435,310,780	351,125,343
Office of Financial Management	150,000	3,141,000	150,000	3,141,000
Dept of General Administration	9,354,000	9,344,000	26,655,000	102,060,000
Military Department	9,294,001	8,750,000	30,244,001	20,150,000
State Convention and Trade Center	0	0	2,045,000	0
Total Governmental Operations	159,106,953	45,770,300	495,374,953	476,640,343
Human Services				
Criminal Justice Training Comm	4,800,000	0	4,800,000	0
Dept of Social and Health Services	36,248,213	40,557,695	43,523,213	42,392,695
Department of Health	0	5,177,527	28,122,000	10,177,527
Department of Veterans' Affairs	12,750,001	0	44,070,701	1,020,000
Department of Corrections	198,030,116	55,699,477	199,630,116	70,450,311
Total Human Services	251,828,330	101,434,699	320,146,030	124,040,533
Natural Resources				
Department of Ecology	46,420,804	15,153,353	225,557,414	312,888,145
State Parks and Recreation Comm	12,837,000	18,925,000	21,137,000	25,683,945
Interagency Comm for Outdoor Rec	59,000,000	85,363,536	132,609,669	228,266,295
State Conservation Commission	5,681,000	1,300,000	8,121,000	2,550,000
Dept of Fish and Wildlife	20,225,000	7,220,000	43,855,000	12,801,776
Department of Natural Resources	61,119,800	455,575	109,337,900	5,712,530
Department of Agriculture	200,000	0	200,000	0
Total Natural Resources	205,483,604	128,417,464	540,817,983	587,902,691

2003-05 Capital Budget

	State Bonds		Total Appropriated Funds	
	New Appropriations	Reappropriations	New Appropriations	Reappropriations
Transportation				
Washington State Patrol	22,415,000	0	22,415,000	0
Department of Transportation	0	17,700,000	15,500,000	17,700,000
Total Transportation	22,415,000	17,700,000	37,915,000	17,700,000
Higher Education				
University of Washington	81,103,001	41,910,000	123,211,001	98,285,000
Washington State University	80,637,001	27,000,000	117,816,001	30,700,000
Eastern Washington University	31,191,808	7,308,000	39,217,808	10,633,000
Central Washington University	23,288,001	4,300,000	34,736,001	20,933,000
The Evergreen State College	27,800,001	16,500,000	36,884,001	17,100,000
Western Washington University	16,700,330	26,850,000	27,564,330	28,650,000
Community/Technical College System	320,213,029	123,665,033	380,007,055	173,240,756
Total Higher Education	580,933,171	247,533,033	759,436,197	379,541,756
Public Schools				
State Board of Education	121,550,000	36,946	403,268,513	246,036,946
Public Schools	0	0	2,038,390	100,000
Total Public Schools	121,550,000	36,946	405,306,903	246,136,946
Other Education				
State School for the Blind	3,717,000	3,932,386	3,717,000	3,932,386
Washington State Historical Society	5,521,200	4,894,830	5,521,200	4,894,830
Total Other Education	9,238,200	8,827,216	9,238,200	8,827,216
Projects Total	1,350,555,258	549,719,658	2,568,235,266	1,840,789,485
GOVERNOR VETO				
Governmental Operations				
Office of the State Auditor	0	0	-100,000	0
Dept of General Administration	0	0	-500,000	0
Total Governmental Operations	0	0	-600,000	0

2003-05 Capital Budget

	State Bonds		Total Appropriated Funds	
	New Appropriations	Reappropriations	New Appropriations	Reappropriations
Natural Resources				
Department of Ecology	0	0	-1,800,000	0
Dept of Fish and Wildlife	-500,000	0	-500,000	0
Department of Natural Resources	-900,000	0	-900,000	0
Total Natural Resources	-1,400,000	0	-3,200,000	0
Higher Education				
University of Washington	0	-2,390,000	0	-2,390,000
Community/Technical College System	0	-2,390,000	0	-2,390,000
Total Higher Education	0	-4,780,000	0	-4,780,000
Governor Veto Total	-1,400,000	-4,780,000	-3,800,000	-4,780,000
TOTALS				
Projects Total	1,350,555,258	549,719,658	2,568,235,266	1,840,789,485
Governor Veto Total	-1,400,000	-4,780,000	-3,800,000	-4,780,000
Statewide Total	1,349,155,258	544,939,658	2,564,435,266	1,836,009,485

**2003-05 Capital Budget
New Appropriations**

	State Bonds	Total
Governmental Operations		
Jt Leg Audit & Review Committee		
Capital Budget Studies	500,000	500,000
Public Disclosure Commission		
Infrastructure Security/Disaster Recovery Systems	270,172	270,172
Office of the Secretary of State		
Deferred Maintenance Reduction Backlog Projects: Regional Archive	100,000	100,000
Office of the State Auditor		
Moving and Equipment Costs	0	100,000
Dept Community, Trade, Econ Dev		
Bellevue Open Space Enhancement	750,000	750,000
Bremerton Waterfront Project	1,000,000	1,000,000
Building for the Arts	4,500,000	4,500,000
Cancer Research Facility Grant	1,000,000	1,000,000
Chewelah Peak Environmental Learning Center	1,500,000	1,500,000
City of Woodland Infrastructure Development	300,000	300,000
Coastal Erosion Grants	750,000	750,000
Community Economic Revitalization Board (CERB)	0	11,491,000
Community Services Facilities Program	5,931,280	5,931,280
Drinking Water Assistance Account	4,000,000	12,500,000
Drinking Water-State Revolving Fund-Auth to Use Loan Repayments	0	11,200,000
Fox Theater Project	1,500,000	1,500,000
Greenbank Farm	1,500,000	1,500,000
Highline School District Aircraft Noise Mitigation	10,000,000	10,000,000
Housing Assistance, Weatherization, and Affordable Housing	80,000,000	80,000,000
Japanese American Memorial	1,500,000	1,500,000
Lewis and Clark Confluence Project	3,000,000	3,000,000
Local/Community Projects	12,197,500	12,197,500
McCaw Opera House	1,500,000	1,500,000
PBS Digital Upgrade	700,000	700,000
Pine Lake Park Phase II	600,000	600,000
Public Works Trust Fund	0	261,200,000
Rural Washington Loan Fund (RWLF)	0	3,481,000
Seattle Heart Alliance (at Swedish Hospital)	4,000,000	4,000,000
Seventh Street Theatre	100,000	100,000
State Games	200,000	200,000
West Central Community Center	500,000	500,000
William Factory Business Incubator	560,000	560,000
Wing Luke Asian Art Museum	1,500,000	1,500,000
Yakima Ballfields	350,000	350,000
Total	139,438,780	435,310,780

**2003-05 Capital Budget
New Appropriations**

	State Bonds	Total
Office of Financial Management		
Capital Monitoring	150,000	150,000
Dept of General Administration		
Cherberg Building Predesign	0	600,000
Emergency Repairs	300,000	1,600,000
Engineering & Architectural Services	6,009,000	9,586,000
Heritage Park	0	500,000
Historic Buildings - Exteriors Preservation	1,475,000	1,475,000
Legislative Building Security	0	1,179,000
Legislative Building Space Use Change	1,570,000	1,570,000
Legislative Building: Rehabilitation and Capital Addition	0	2,300,000
Minor Works - Facility Preservation: Statewide	0	5,545,000
Minor Works - Infrastructure Preservation: Capitol Campus	0	2,100,000
State Capitol Master Plan Update	0	200,000
Total	9,354,000	26,655,000
Military Department		
Communication Security-Emergency Management Division-Bldg No. 20	0	1,000,000
Energy Management Control Systems	365,000	365,000
Infrastructure Savings	1	1
Minor Works - Preservation	1,113,000	1,113,000
Minor Works to Support Federal Construction Projects	2,798,000	13,948,000
Orting School District Safety Bridge Study	250,000	250,000
Spokane Readiness Center	4,768,000	13,568,000
Total	9,294,001	30,244,001
State Convention and Trade Center		
WSCTC Omnibus Minor Works	0	2,045,000
Total Governmental Operations	159,106,953	495,374,953
Human Services		
Criminal Justice Training Comm		
School Mapping & Security	4,800,000	4,800,000
Dept of Social and Health Services		
Child Study & Treatment Center-Cottages: Modifications, Phase 3	1,800,000	1,800,000
DSHS: Capital Project Management	0	2,000,000
Echo Glen Children's Center-Eleven Cottages: Renovation	5,490,000	5,490,000
Echo Glen Children's Center-Site: Infrastructure Improvements	0	925,000
Infrastructure Savings	1	1
JRA Master Planning Updates	200,000	200,000
Juvenile Rehabilitation-Acute Mental Health Unit: New Facility	200,000	200,000
Maple Lane School-Steam Plant and Tunnels: Upgrade	2,650,000	2,650,000

**2003-05 Capital Budget
New Appropriations**

	State Bonds	Total
Minor Works - Facility Preservation	4,000,000	4,000,000
Minor Works - Health, Safety and Code Requirements	1,500,000	1,500,000
Minor Works - Infrastructure Preservation	1,500,000	1,500,000
Minor Works - Program: Mental Health	750,000	750,000
Rainier School: Wastewater Treatment (Buckley)	0	250,000
Residential Habilitation Centers Consolidation	2,000,000	6,000,000
Special Commitment Center-Regional SCTF: New 12-Bed Facility	3,000,000	3,000,000
Special Commitment Center-Secure Facility: Construction, Phase 3	11,158,212	11,158,212
Statewide - Emergency Repairs	750,000	750,000
Statewide - Hazards Abatement and Demolition	250,000	250,000
Statewide: Facilities Condition Assessment & Preservation Plan	0	100,000
Western State Hospital: Legal Offender Unit	1,000,000	1,000,000
Total	36,248,213	43,523,213

Department of Health

Drinking Water Assistance Program	0	28,122,000
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Department of Veterans' Affairs

Emergency Repairs	0	300,000
Historic District Management Plan	0	40,000
Infrastructure Savings	1	1
Minor Works - Facility Preservation: Orting	750,000	750,000
Retsil: 240 Bed Nursing Facility	12,000,000	42,980,700
Total	12,750,001	44,070,701

Department of Corrections

Emergency Repairs	0	1,600,000
Infrastructure Savings	1	1
Master Planning	500,000	500,000
MCC: 100-Bed Management & Segregation Unit	18,674,031	18,674,031
MICC: Replace Submarine Electric Power Cable	4,902,000	4,902,000
Minor Works - Facility Preservation	4,000,000	4,000,000
Minor Works - Health, Safety and Code	4,000,000	4,000,000
Minor Works - Infrastructure Preservation	4,000,000	4,000,000
WCC: Regional Infrastructure	4,650,000	4,650,000
WSP: Convert BAR Units from Medium to Close Custody	17,809,202	17,809,202
WSP: North Close Security Compound	133,940,000	133,940,000
WSP: Replace Electrical Supply System	4,242,715	4,242,715
WSP: Replace Sanitary/Domestic Water Lines	1,312,167	1,312,167
Total	198,030,116	199,630,116

Total Human Services

251,828,330 320,146,030

Natural Resources

Department of Ecology

Centennial Clean Water Program	30,452,000	46,400,000
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**2003-05 Capital Budget
New Appropriations**

	State Bonds	Total
Columbia Basin Ground Water Management	0	500,000
Irrigation Efficiencies	1,000,000	1,000,000
Local Toxics Grants to Locals for Cleanup and Prevention	0	45,000,000
Low-Level Nuclear Waste Disposal Trench Site Investigation	0	1,141,415
Padilla Bay Expansion	568,804	2,986,000
Twin Lake Aquifer Recharge Project	750,000	750,000
Water Pollution Control Program	0	111,129,999
Water Rights Purchase/Lease	0	3,000,000
Water Supply Facilities Program	13,650,000	13,650,000
Total	46,420,804	225,557,414

State Parks and Recreation Comm

Beacon Rock Pierce Trust	0	50,000
Deception Pass State Park Renovation	250,000	250,000
Emergency Repairs	500,000	500,000
Facility Assessment	0	150,000
Fort Canby Improvements	750,000	750,000
Fort Worden	1,000,000	1,000,000
Historic Stewardship	1,000,000	1,000,000
Iron Horse Trail	262,500	262,500
Lewis & Clark Trail Bicentennial	3,337,000	3,337,000
Major Park Renovation-Cama Beach	0	200,000
Minor Works - Facility Preservation	1,837,500	7,737,500
Park Housing	1,000,000	1,000,000
Parkland Acquisition	0	1,000,000
Recreation Development	2,900,000	2,900,000
Statewide Boat Pumpout - Federal Clean Vessel Act	0	1,000,000
Total	12,837,000	21,137,000

Interagency Comm for Outdoor Rec

Aquatic Lands Enhancement Grants	0	5,356,400
Boating Facilities Program (BFP)	0	7,506,959
Boating Infrastructure Grant Program (BIG)	0	2,000,000
Family Forest Fish Blockages Program	2,000,000	2,000,000
Firearms and Archery Range Recreation Program (FARR)	0	150,000
Hatchery Management Program	0	10,000,000
Land and Water Conservation Fund (LWCF)	0	5,735,000
National Recreation Trails Program (NRTP)	0	2,260,000
Nonhighway and Off-Road Vehicle Activities Program (NOVA)	0	6,226,310
Salmon Recovery Fund Board Programs (SRFB)	12,000,000	46,375,000
Washington Wildlife and Recreation Program (WWRP)	45,000,000	45,000,000
Total	59,000,000	132,609,669

State Conservation Commission

Conservation Reserve Enhancement Program	2,000,000	2,000,000
Dairy Nutrient Management Grants Program	0	1,600,000
Puget Sound District Grants	0	840,000

**2003-05 Capital Budget
New Appropriations**

	State Bonds	Total
Skykomish Flood Mitigation Project	181,000	181,000
Water Quality Grants Program	3,500,000	3,500,000
Total	5,681,000	8,121,000
 Dept of Fish and Wildlife		
Deschutes Hatchery	350,000	350,000
Facility, Infrastructure, Lands, and Access Condition Improvement	3,875,000	4,475,000
Fish & Wildlife Opportunity Improvements	0	2,050,000
Fish and Wildlife Population and Habitat Protection	2,400,000	10,430,000
Fish Screens	1,000,000	1,000,000
Hatchery Reform, Retrofits, and Condition Improvement	7,700,000	13,900,000
Internal and External Partnership Improvements	0	6,500,000
Region 1 Office - Spokane	3,900,000	3,900,000
WDFW Energy Savings	500,000	500,000
Wind Power Mitigation	500,000	500,000
Youth Sportfishing Program	0	250,000
Total	20,225,000	43,855,000
 Department of Natural Resources		
Agricultural Asset Preservation	0	100,000
Commercial Development/Local Improvement Districts	0	100,000
Communication Site Repairs	0	200,000
Community and Technical College Trust Land Acquisition	0	96,000
Digitize Geology Library Collections	900,000	900,000
Forest Legacy	0	6,000,000
Hazardous Waste Removal	0	50,000
Land Bank	0	5,000,000
Marine Station Public Access	0	100,000
Minor Works - Facility Preservation	150,000	813,800
Minor Works - Health, Safety, & Code	0	394,400
Mobile Radio System Upgrade	1,659,800	2,273,700
Natural Area Facilities Preservation	185,000	185,000
Natural Resource Real Property Replacement	0	20,000,000
Real Estate Repair, Maintenance, and Tenant Improvements	0	1,200,000
Recreation Facilities Preservation	225,000	225,000
Right-of-Way Acquisition	0	500,000
Riparian Open Space Program	1,000,000	2,500,000
Small Timber Landowner Program	2,000,000	2,000,000
Statewide Estuarine Restoration Projects	0	200,000
Trust Land Transfer Program	55,000,000	66,000,000
Wetland Grants	0	500,000
Total	61,119,800	109,337,900
 Department of Agriculture		
Fair Improvements	200,000	200,000
Total Natural Resources	205,483,604	540,817,983

**2003-05 Capital Budget
New Appropriations**

	State Bonds	Total
Transportation		
Washington State Patrol		
Minor Works - Facility Preservation: Fire Training Academy	250,000	250,000
Seattle Toxicology Lab	800,000	800,000
Spokane Crime Laboratory Construction	11,365,000	11,365,000
Vancouver Crime Lab - Design / Construction	10,000,000	10,000,000
Total	22,415,000	22,415,000
Department of Transportation		
Port of Everett Satellite Barge Facility	0	15,500,000
Total Transportation	22,415,000	37,915,000
Higher Education		
University of Washington		
Facility Preservation Backlog Reduction	28,600,000	28,600,000
Infrastructure Savings	1	1
Minor Works - Program	6,500,000	10,500,000
Preventive Facility Maintenance & Building System Repairs	0	20,108,000
UW Campus Communications Infrastructure	5,000,000	5,000,000
UW Emergency Power Expansion - Phase II	3,500,000	5,948,000
UW Johnson Hall Renovation	37,503,000	53,055,000
Total	81,103,001	123,211,001
Washington State University		
Facility Preservation Backlog Reduction	37,235,000	42,000,000
Infrastructure Savings	1	1
Omnibus Equipment and Program Improvements	0	4,380,000
Preventive Facility Maintenance & Building System Repairs	0	7,876,000
WSU ICN Spokane - Nursing Building at Riverpoint: New Facility	3,000,000	3,000,000
WSU Prosser - Multipurpose Building: New Facility	1,500,000	1,500,000
WSU Pullman - Biotechnology/Life Sciences 1	0	4,500,000
WSU Pullman - Campus Infrastructure	3,000,000	3,000,000
WSU Pullman - Education Addition Cleveland Hall	11,160,000	11,160,000
WSU Pullman - Johnson Hall Addition - Plant Bioscience Bldg	19,542,000	35,200,000
WSU TriCities - Bioproducts & Sciences Building	900,000	900,000
WSU Vancouver - Campus Utilities/Infrastructure: Infrastructure	4,300,000	4,300,000
Total	80,637,001	117,816,001
Eastern Washington University		
EWU Campus Network Upgrade	0	3,875,000
EWU Classroom Renewal	0	691,325
EWU Computing and Engineering Sciences Building (Cheney Hall)	19,000,482	19,000,482
EWU Infrastructure Preservation	1,550,000	1,550,000

**2003-05 Capital Budget
New Appropriations**

	State Bonds	Total
EWU Minor Works - Program	0	650,000
EWU Senior Hall Renovation	6,000,000	6,000,000
EWU University Visitor Center and Formal Entry	0	975,000
Facility Preservation Backlog Reduction	4,250,000	4,250,000
Infrastructure Savings	1	1
Minor Works - Health, Safety, and Code	391,325	500,000
Preventive Facility Maintenance & Building System Repairs	0	1,726,000
Total	31,191,808	39,217,808
 Central Washington University		
Combined Utility Upgrade	5,000,000	5,400,000
CWU/Des Moines Higher Education Center	1,438,000	8,000,000
CWU/Moses Lake Higher Education Center	0	600,000
Facility Preservation Backlog Reduction	4,250,000	4,250,000
Infrastructure Savings	1	1
Minor Works: Program	0	2,000,000
Music Education Facility	12,600,000	12,600,000
Preventive Facility Maintenance & Building System Repairs	0	1,886,000
Total	23,288,001	34,736,001
 The Evergreen State College		
Daniel J Evans Building - Modernization	21,500,000	21,500,000
Facility Preservation Backlog Reduction	4,250,000	4,250,000
Infrastructure Preservation	1,550,000	1,550,000
Infrastructure Savings	1	1
Lab II 3rd Floor - Chemistry Labs Remodel	0	3,000,000
Minor Works - Health, Safety, and Code	500,000	2,500,000
Minor Works Program	0	850,000
Preventive Facility Maintenance & Building System Repairs	0	734,000
Seminar Building Phase II - Construction	0	2,500,000
Total	27,800,001	36,884,001
 Western Washington University		
Academic Instructional Center	5,618,000	5,618,000
Campus Infrastructure Development	2,160,000	2,160,000
Campus Roadway Development	249,000	329,000
Communications Facility	0	3,920,000
Facility Preservation Backlog Reduction	4,250,000	4,250,000
Infrastructure Savings	1	1
Miller Hall Renovation	250,000	250,000
Minor Works - Health, Safety, and Code	1,000,000	1,000,000
Minor Works - Infrastructure Preservation	1,550,000	1,550,000
Minor Works - Program	500,000	550,000
Planetarium Improvement	125,000	125,000
Preventive Facility Maintenance & Building System Repairs	0	2,814,000
Shannon Point Marine - Undergraduate Center	998,329	4,998,329
Total	16,700,330	27,564,330

**2003-05 Capital Budget
New Appropriations**

	State Bonds	Total
Community/Technical College System		
Bates Technical College: LRC/Vocational	1,796,206	1,796,206
Bates-Clover Park Equipment Improvements	0	3,000,000
Bellevue Community College: "D" Building Renovation	11,418,700	13,418,700
Bellevue Community College: NWCET Expansion	0	500,000
Bellevue Community College: Science and Technology	0	90,000
Bellingham Technical College: Welding/Auto Collision Replacement	2,481,000	2,481,000
Cascadia Community College: Center for Arts, Tech, Comm	0	159,900
Centralia Community College Science Building	150,000	150,000
Clark College: Clark Center at WSU Vancouver	18,009,800	18,009,800
Clark College: East County Satellite	300,000	300,000
Clark College: Renovation - Applied Arts 5	3,872,413	3,872,413
Clark College: Stout Hall	4,049,889	4,049,889
Clover Park Technical College: Building 25 Machine Trades	4,583,308	4,583,308
Columbia Basin College: Renovation - "T" Building	6,058,500	6,058,500
Edmonds Community College: Instructional Lab Building	2,939,060	2,939,060
Edmonds Community College: Renovation - Mountlake Terrace Hall	8,827,030	8,827,030
Everett Community College: Pilchuck/Glacier	1,311,700	1,311,700
Everett Community College: Renovation - Monte Cristo Hall	7,352,000	7,352,000
Everett Community College: Undergraduate Education Center	0	126,000
Facility Preservation Backlog Reduction	64,300,000	64,300,000
Grays Harbor College: Replacement-Instructional Building	1,263,300	1,263,300
Green River Community College: Computer Technology Center	10,984,800	10,984,800
Green River Community College: Science Building	0	2,396,409
Highline Community College: Higher Ed Center/Childcare	14,654,000	18,552,000
Infrastructure Savings	1	1
Lake Washington Technical College - Redmond Land Acquisition	0	500,000
Lake Washington Technical College: Renovation - East/West Bldgs	4,420,800	4,420,800
Lower Columbia College: Instructional/Fine Arts Bldg Replacement	1,827,799	1,827,799
Minor Works - Program (Minor Improvements)	0	14,979,217
North Seattle Community College: Arts and Science Renovation	6,785,700	6,785,700
Olympic College: Science and Technology Building Replacement	10,998,000	13,998,000
Peninsula College: Community Resource Center	0	500,000
Peninsula College: Replacement Science and Technology Building	0	82,800
Pierce College Fort Steilacoom - Childcare Center	0	500,000
Pierce College Ft Steilacoom: Science and Technology	0	190,000
Pierce College Puyallup: Community Arts/Allied Health	0	150,000
Pierce College Puyallup: Phase III Expansion	23,374,774	23,374,774
Preventive Facility Maintenance & Building System Repairs	0	17,754,000
Renton Technical College: Portable Replacement	419,300	419,300
Roof Repairs "A"	7,265,677	7,265,677
Seattle Central: Replacement North Plaza Building	4,976,200	4,976,200
Site Repairs "A"	5,305,624	5,305,624
Skagit Valley College: Science Building Replacement	300,000	300,000
South Puget Sound Community College: Humanities/Gen Ed Complex	17,350,248	17,350,248
South Puget Sound Community College: Science Complex	0	93,200

**2003-05 Capital Budget
New Appropriations**

	State Bonds	Total
South Seattle Community College: Instructional Technology Center	17,236,600	17,236,600
South Seattle Community College: Renovation-Pastry Vocational Pgm	0	2,613,100
Spokane Community College: Science Building Replacement	15,721,600	15,721,600
Tacoma Community College: Information Technology Voc Center	14,531,900	14,531,900
Tacoma Community College: Renovation - Building 7	4,988,000	4,988,000
Tacoma Community College: Replacement - Portable Buildings	2,622,000	2,622,000
Tacoma Community College: Science Building	2,379,000	2,379,000
Walla Walla Community College: Basic Skills/Computer Lab	573,000	573,000
Walla Walla Community College: Health Science Facility	0	7,261,400
Whatcom Community College: Classroom/Lab Building	10,932,400	10,932,400
Yakima Valley Community College: Renovation - Sundquist Annex	3,852,700	3,852,700
Total	320,213,029	380,007,055
Total Higher Education	580,933,171	759,436,197
Public Schools		
State Board of Education		
Port Angeles School District North Olympic Skill Center	2,000,000	2,000,000
Resource Efficiency Pilot Project	1,500,000	1,500,000
School Construction Assistance Grants	118,050,000	399,768,513
Total	121,550,000	403,268,513
Public Schools		
State School Construction Assistance Program Staff	0	2,038,390
Total Public Schools	121,550,000	405,306,903
Other Education		
State School for the Blind		
Boiler House Renovation/Electrical Vault Replacement	668,000	668,000
Campus Preservation	770,000	770,000
Kennedy, Dry and Irwin Buildings Preservation	2,279,000	2,279,000
Total	3,717,000	3,717,000
Washington State Historical Society		
Lewis & Clark Trail Interpretive Infrastructure Grant Program	1,000,000	1,000,000
Stadium Way Research Center-Code Violation Correction	461,200	461,200
State History Museum Preservation	60,000	60,000
Washington Heritage Project	4,000,000	4,000,000
Total	5,521,200	5,521,200
Total Other Education	9,238,200	9,238,200
Projects Total	1,350,555,258	2,568,235,266

**2003-05 Capital Budget
New Appropriations**

	State Bonds	Total
GOVERNOR VETO		
Governmental Operations		
Office of the State Auditor		
Moving and Equipment Costs	0	-100,000
Dept of General Administration		
Heritage Park	0	-500,000
Total Governmental Operations	0	-600,000
Natural Resources		
Department of Ecology		
Local Toxics Grants to Locals for Cleanup and Prevention	0	-1,800,000
Dept of Fish and Wildlife		
Wind Power Mitigation	-500,000	-500,000
Department of Natural Resources		
Digitize Geology Library Collections	-900,000	-900,000
Total Natural Resources	-1,400,000	-3,200,000
Governor Veto Total	-1,400,000	-3,800,000
TOTALS		
Projects Total	1,350,555,258	2,568,235,266
Governor Veto Total	-1,400,000	-3,800,000
Statewide Total	1,349,155,258	2,564,435,266

Major Grant and Loan Programs in the Capital Budget

PROGRAM	AGENCY/ CONTACT	DESCRIPTION	ELIGIBILITY	2003-05 Funding
Aquatic Lands Enhancement Account (ALEA)	IAC (360) 902-3000	A competitive application process funds projects that enhance and protect wildlife and fish habitat and provide places for people to enjoy salt and freshwater shorelands and tidelands.	<u>Recipients</u> must be a city, county, port district, state agency, tribe, or special purpose district. <u>Property</u> must be on or associated with navigable waters.	\$5.4 million
Boating Facilities Program	IAC (360) 902-3000	A competitive application process funds acquisition, development, planning, and renovation projects for boating facilities, including launching ramps, transient moorage, and upland support facilities.	<u>Recipients</u> must be a municipal subdivision (city, county, port district, park and recreation district, school district), tribe, or state agency. Funding is divided equally between state and local projects. Local and tribal recipients must provide at least 33% in matching funds.	\$7.5 million
Boating Infrastructure Grant Program	IAC (360) 902-3000	A competitive application process funds recreational transient boating facilities targeting boats 26 feet and longer.	<u>Recipients</u> must be a municipal subdivision (city, county, state agency, port district), tribe, private marina whose facilities are open to the public, or nonprofits open to the public. Recipients must provide at least a 25% match.	\$2 million

Building for the Arts	CTED (360) 725-3007	A competitive application process funds up to 20% of eligible capital costs of new facilities or major improvements to facilities dedicated to arts-related or cultural purposes.	<u>Recipients</u> must be a 501©(3) nonprofit organization. The project or project phase being funded must result in the facility being usable by the public for its intended purpose.	\$4.5 million
Community Services Facilities Program	CTED (360) 725-3007	A competitive application process funds up to 25% of eligible capital costs of new facilities or major improvements to facilities dedicated to community-based nonresidential family and youth services.	<u>Recipients</u> must be a 501©(3) nonprofit organization. The project or project phase being funded must result in the facility being usable by the public for its intended purpose.	\$5.9 million
Drinking Water Assistance Programs	CTED Health (360) 236-3100	Competitive loan program (and technical assistance) provides low interest loans to local governments and water systems to help provide safe drinking water.	<u>Recipients</u> must be local governments or water systems.	\$23.7 million
Firearms and Archery Range Recreation Program	IAC (360) 902-3000	A competitive application process funds projects to acquire, develop, and renovate public and private nonprofit firearm range and archery training/practice facilities.	<u>Recipients</u> must be private nonprofits (sport and gun clubs), cities, counties, park and recreation districts, school districts, port districts, or state agencies.	\$150,000
Heritage Projects	WA.State Historical Society (360) 586-0219	A competitive application process provides grants to match non-state funds for capital projects that interpret and preserve Washington's history and heritage.	<u>Recipients</u> must be nonprofit heritage organizations, tribes or local governments.	\$4 million

Housing Trust Fund	CTED (360) 725-2908	Competitive grant and loan program to fund housing assistance for low income persons and special needs populations. The program categories include: constructing, rehabilitating, and preserving low income/affordable housing; weatherization; first-time homebuyer assistance; shelters and transitional housing for the homeless and victims of domestic violence; self-help housing; and farmworker housing.	<u>Recipients</u> must be local governments, local housing authorities, regional support networks, tribes, or nonprofit community, neighborhood or housing organizations.	\$80 million
Land and Water Conservation Fund	IAC (360) 902-3000	A competitive application process funds projects that preserve, develop, and provide accessibility to outdoor recreation resources.	<u>Recipients</u> must be counties, cities, port districts, tribes, or state agencies.	\$5.7 million
Local Toxics Grants	Ecology (360) 407-7170	Provides funds to local governments to clean up contaminated areas and prevent future contamination (Model Toxics Control Act). The program has 3 categories: remedial action grants; coordinated prevention grants; and public participation grants.	<u>Recipients</u> must be local governments, except that public participation grants are provided to citizen groups or public interest nonprofit organizations.	\$43.2 million

National Recreational Trails Program	IAC (360) 902-3000	A competitive application process funds projects to rehabilitate and maintain recreational trails and facilities that provide a back-country experience.	<u>Recipients</u> must be nonprofit organizations, cities, counties, port districts, park and recreation districts, and school districts. <u>Eligible activities</u> include maintenance of trails, development of trail-side and trail-head facilities, construction of new trails, and education and safety programs.	\$2.3 million
Nonhighway Offroad Vehicle Account (NOVA)	IAC (360) 902-3000	A competitive application process among 3 categories provides funding for recreation opportunities for those who use off-road vehicles. The 3 categories are ORV education and enforcement, ORV recreation facilities, and nonhighway road recreation facilities.	<u>Recipients</u> must be municipal subdivisions (cities, counties, special districts), state agencies, federal agencies, and tribes.	\$6.2 million
Public Works Trust Fund	PWB CTED (360) 725-5000	A competitive low-interest loan and technical assistance program for public works projects.	<u>Recipients</u> must be counties, cities, and special purpose districts. <u>Eligible activities</u> are bridges, roads, sanitary sewer, domestic water, storm sewer, and solid waste/recycling.	\$261 million
Salmon Recovery Funding Board Grants	IAC (360) 902-3000	A competitive application program funding projects to protect or restore salmon habitat. All project applications must first go through the local lead entity group.	<u>Recipients</u> must be municipal subdivisions (cities, counties, port districts, conservation districts, park and recreation districts), tribes, state agencies, or private landowners. Recipients must provide at least 15% matching funds.	\$46.4 million

School Construction Assistance Grants	OSPI SBE (360) 725-6265	Provides grants to school districts to assist in construction and renovation of facilities. State assistance is based on a formula.	<u>Recipients</u> must be public school districts. Recipients must qualify under the formula and must procure necessary local funds (i.e. pass a bond levy.)	\$400 million
Washington Wildlife and Recreation Program (WWRP)	IAC (360) 902-3000	A competitive application process in seven categories provides funding for acquisition and development of local and state parks, water access sites, trails, critical wildlife habitat, natural areas, and urban wildlife habitat.	<u>Recipients</u> must be a municipal subdivision (city, county, port district, park and recreation district, school district), state agency, or tribe.	\$45 million
Water Quality Programs (Centennial Clean Water, State Revolving Funds, and Section 319 Nonpoint Source Grants)	Ecology (360) 407-6400	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 or projects to reduce nonpoint sources of water pollution.	<u>Recipients</u> must be local governments, state agencies, or tribes.	\$156 million
Water Supply Programs	Ecology (360) 407-6600	A variety of programs to enhance the supply of water resources to meet current and future needs of people, communities, businesses, fish and wildlife, etc. The categories include purchasing/leasing water rights, water supply facilities, and water use efficiencies.	<u>Recipients</u> include local governments, conservation districts, tribes, federal and state agencies, water rights holders, etc.	\$17 million

Youth Facilities	CTED (360) 725-3007	A competitive application process funds up to 25% of eligible capital costs of new facilities or major improvements to facilities dedicated to nonresidential youth services (excluding outdoor athletic fields).	<u>Recipients</u> must be a 501©(3) nonprofit organization. The project or project phase being funded must result in the facility being usable by the public for its intended purpose.	\$0
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Office Of Program Research
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