

Overview of the Governor's 2009-11 Capital Budget

Prepared by Senate Ways and Means Committee Staff

January 2009

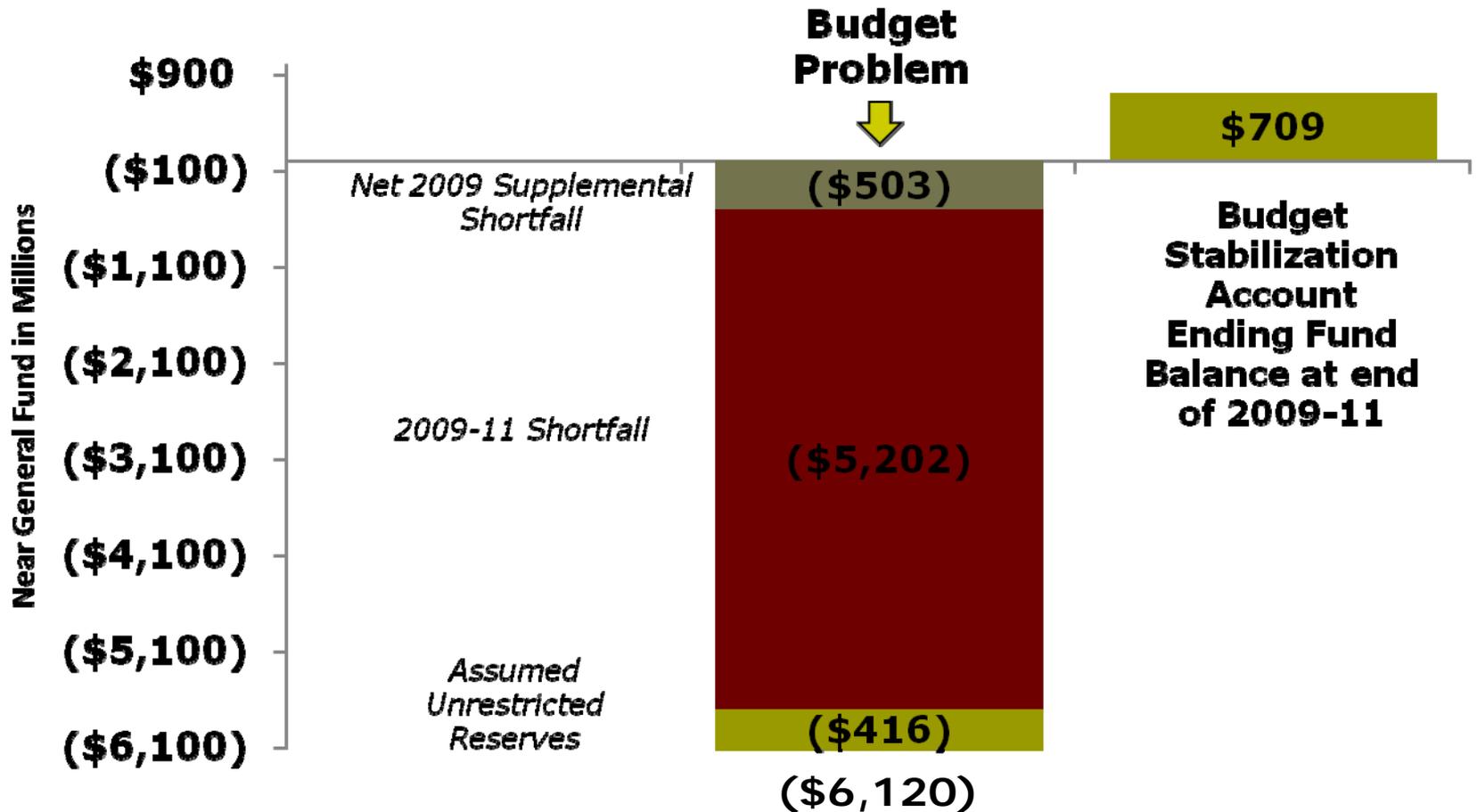




But First!

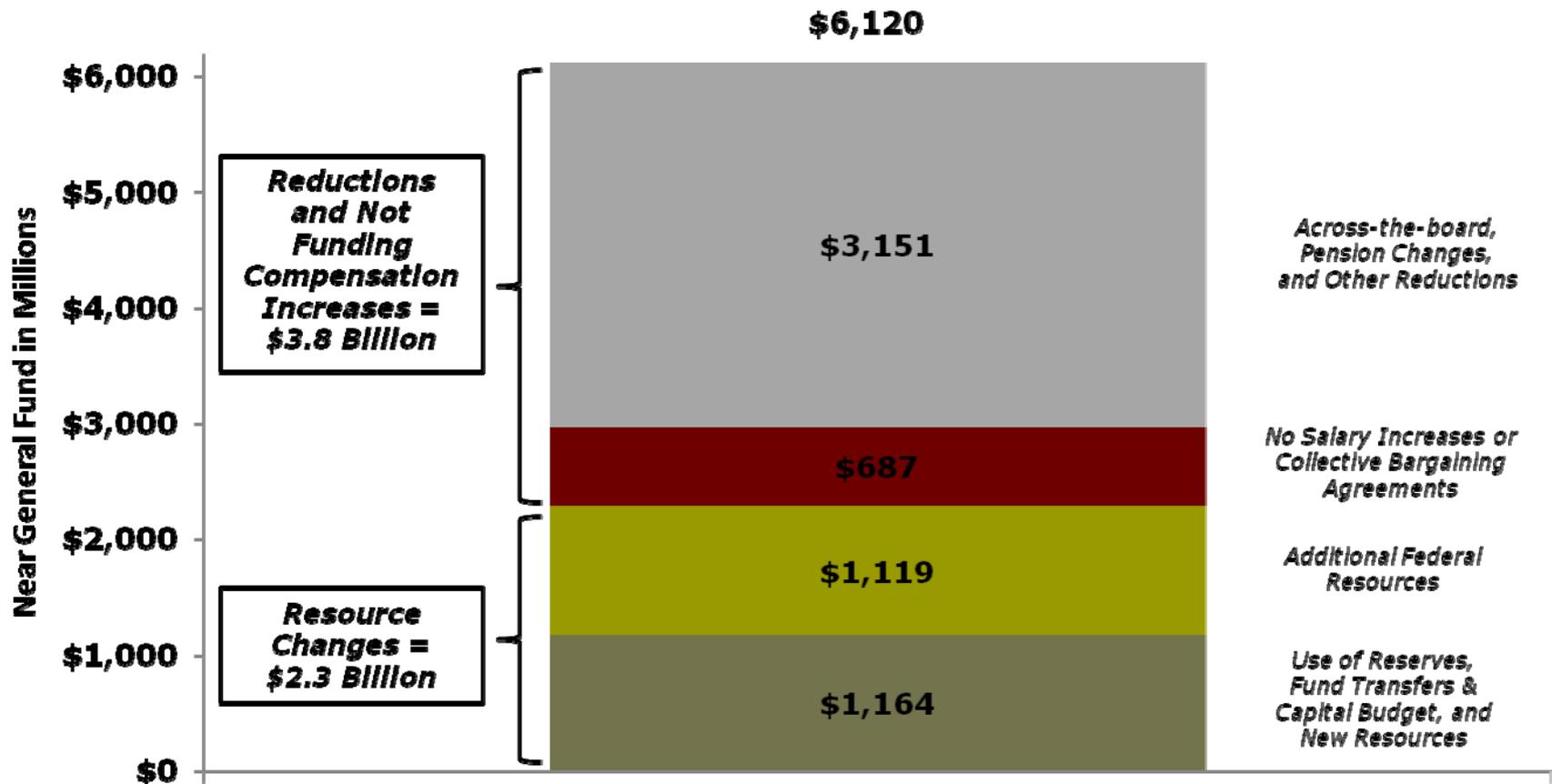
The Big Budget Problem

Including the shortfall for this biennium, the Governor's budget addressed a budget problem of over \$6 billion



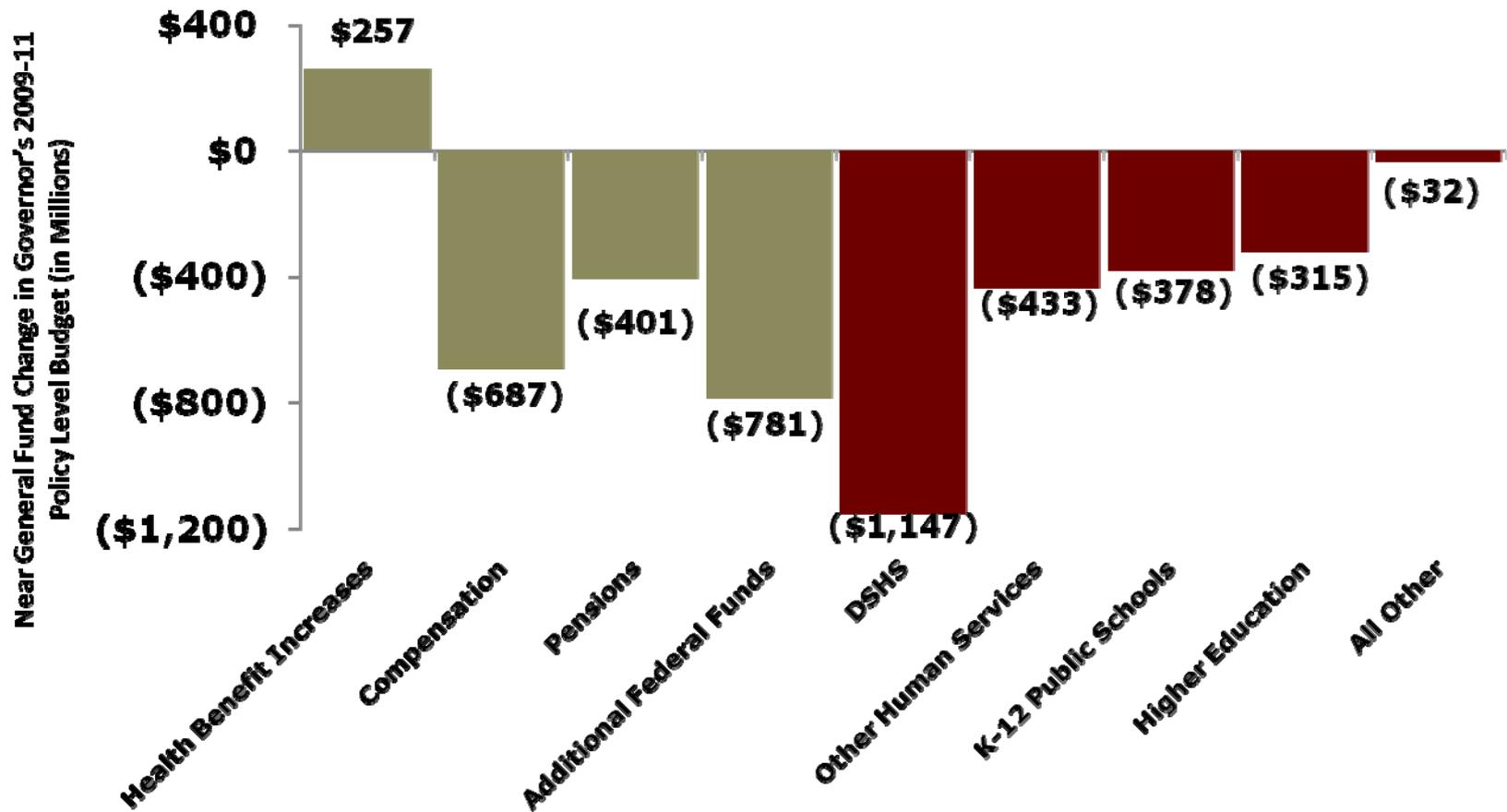
The Governor's Proposed Budget Solution

The Governor's budget solves slightly under 2/3rd of the budget problem by reductions and not funding salary increases...with the remaining solution coming from various resources changes



Governor Gregoire's Three Year Budget Solution

The reductions in the Governor's proposed 2009-11 budget are spread across state government, but some of the largest reductions occur in human services, K-12, and higher education

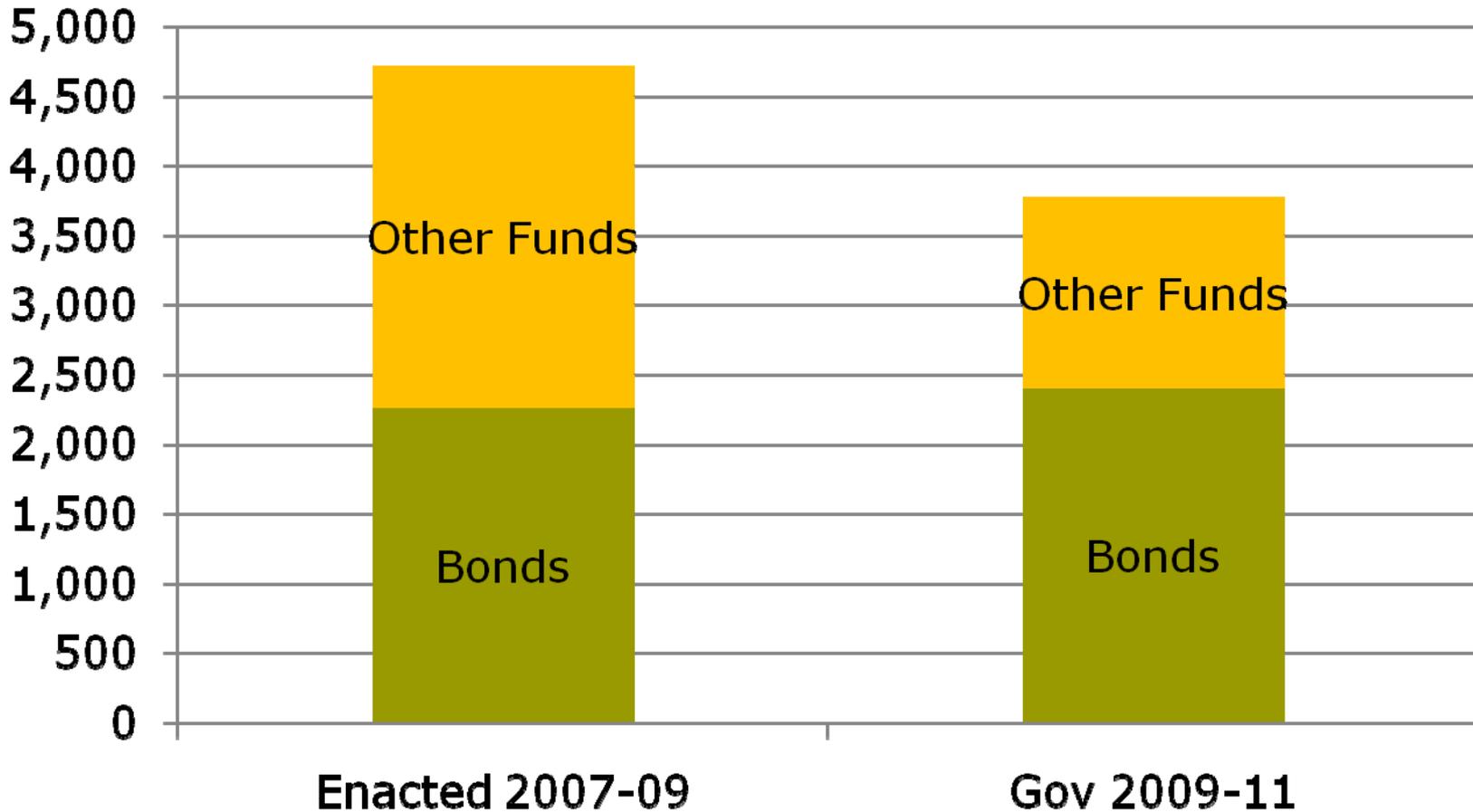


* This reflects estimated net reductions accounting for any policy level increases included in the Governor's proposed 2009-11 budget. There were also reductions made in her proposed 2009 supplemental budget for the current biennium.



Now on to the Governor's
Capital Budget Request
for 2009-11

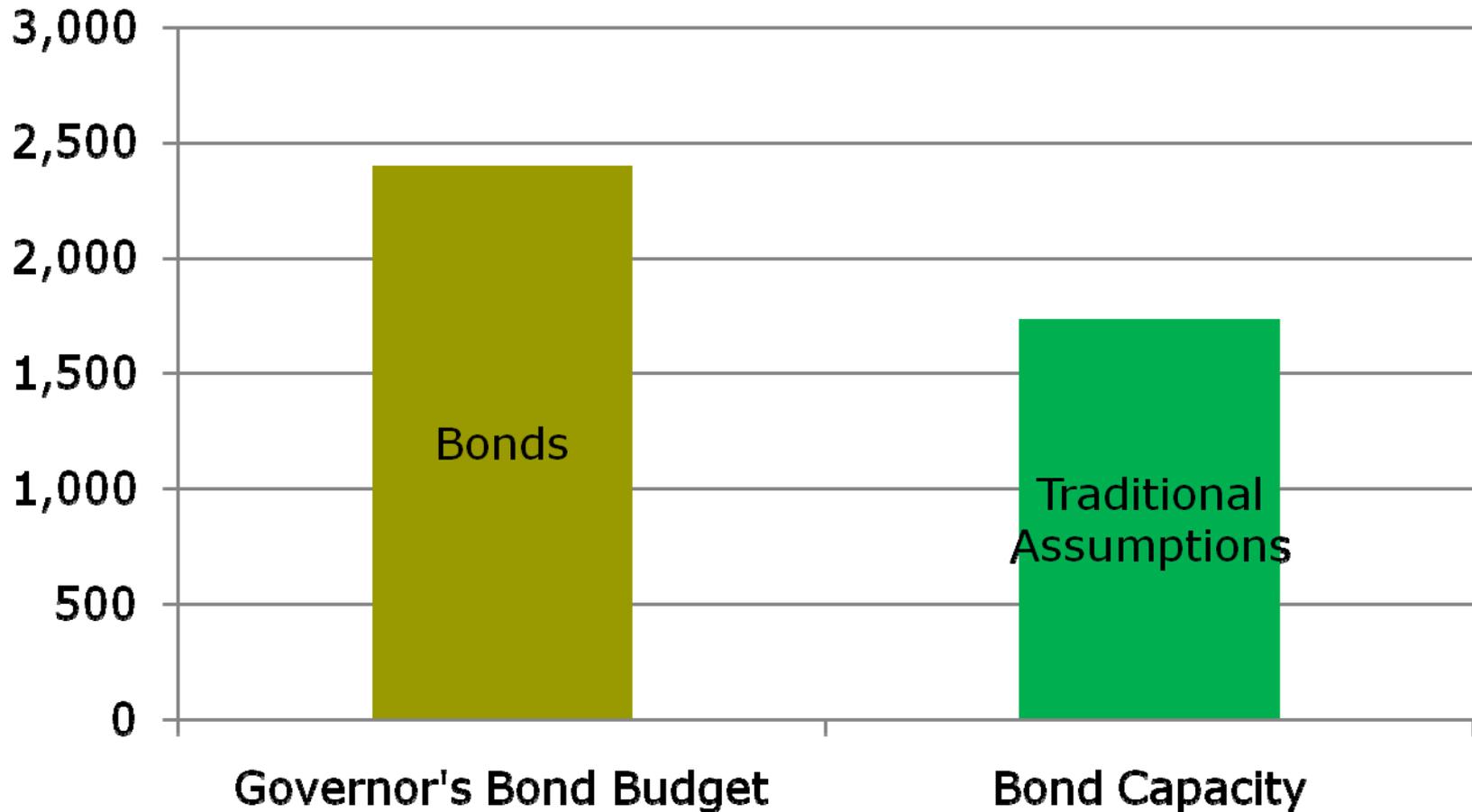
Governor Boosts Bond Budget, Recession & Transfers Shrink Other Funds



Dollars in Millions

Gov 2009-11 Bonds include higher education COP projects traditionally funded with Bonds

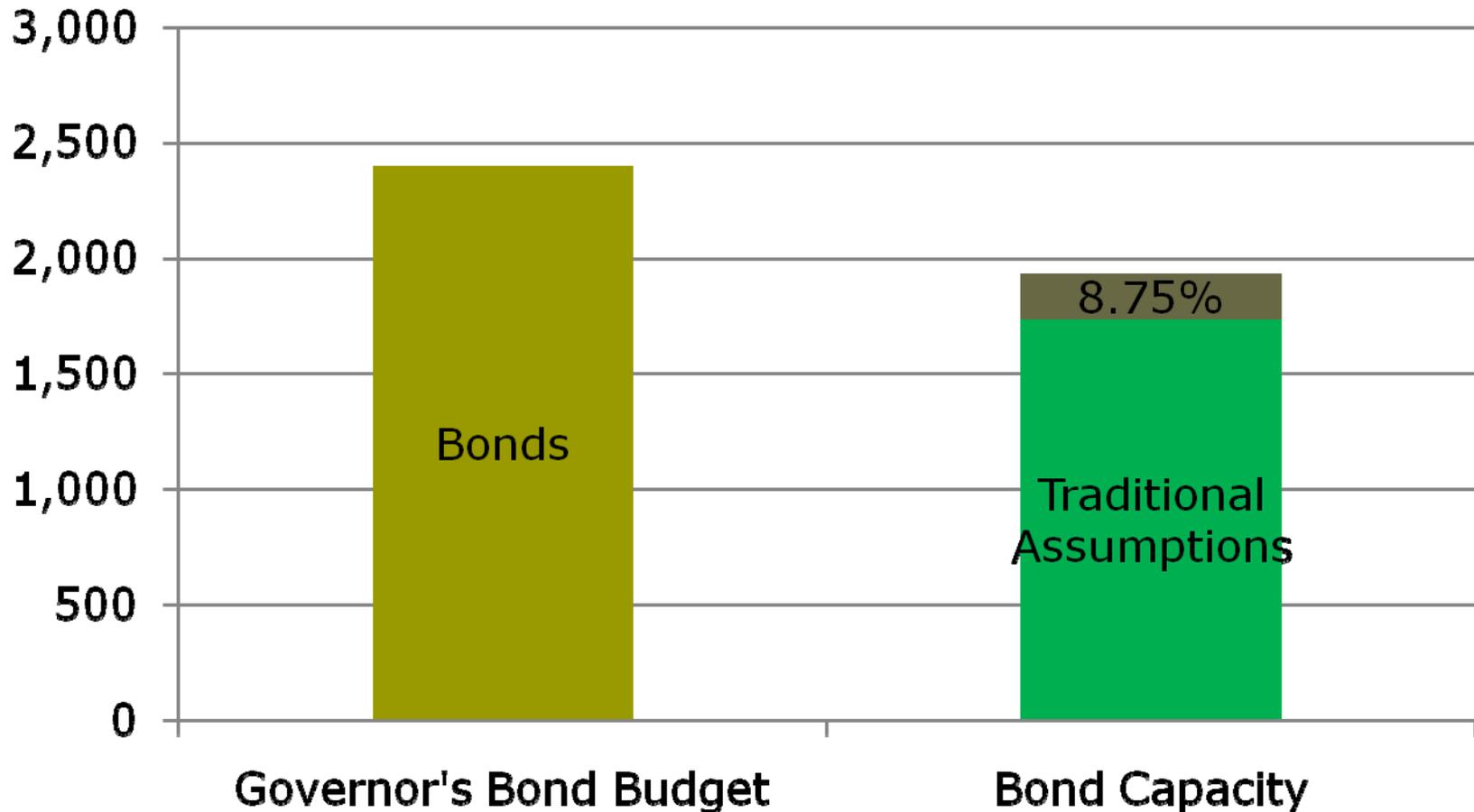
How Does the Governor Expand Debt Capacity?



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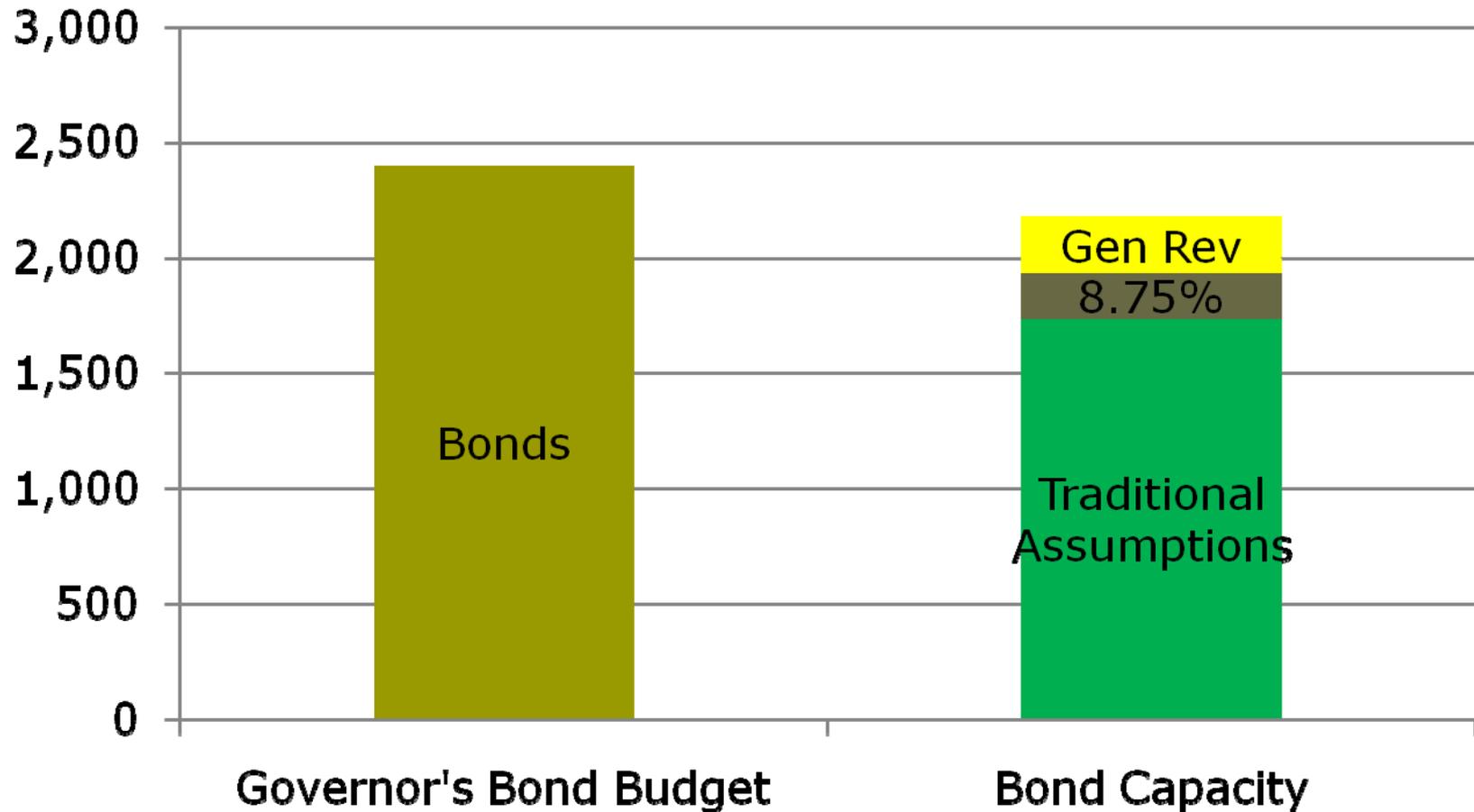
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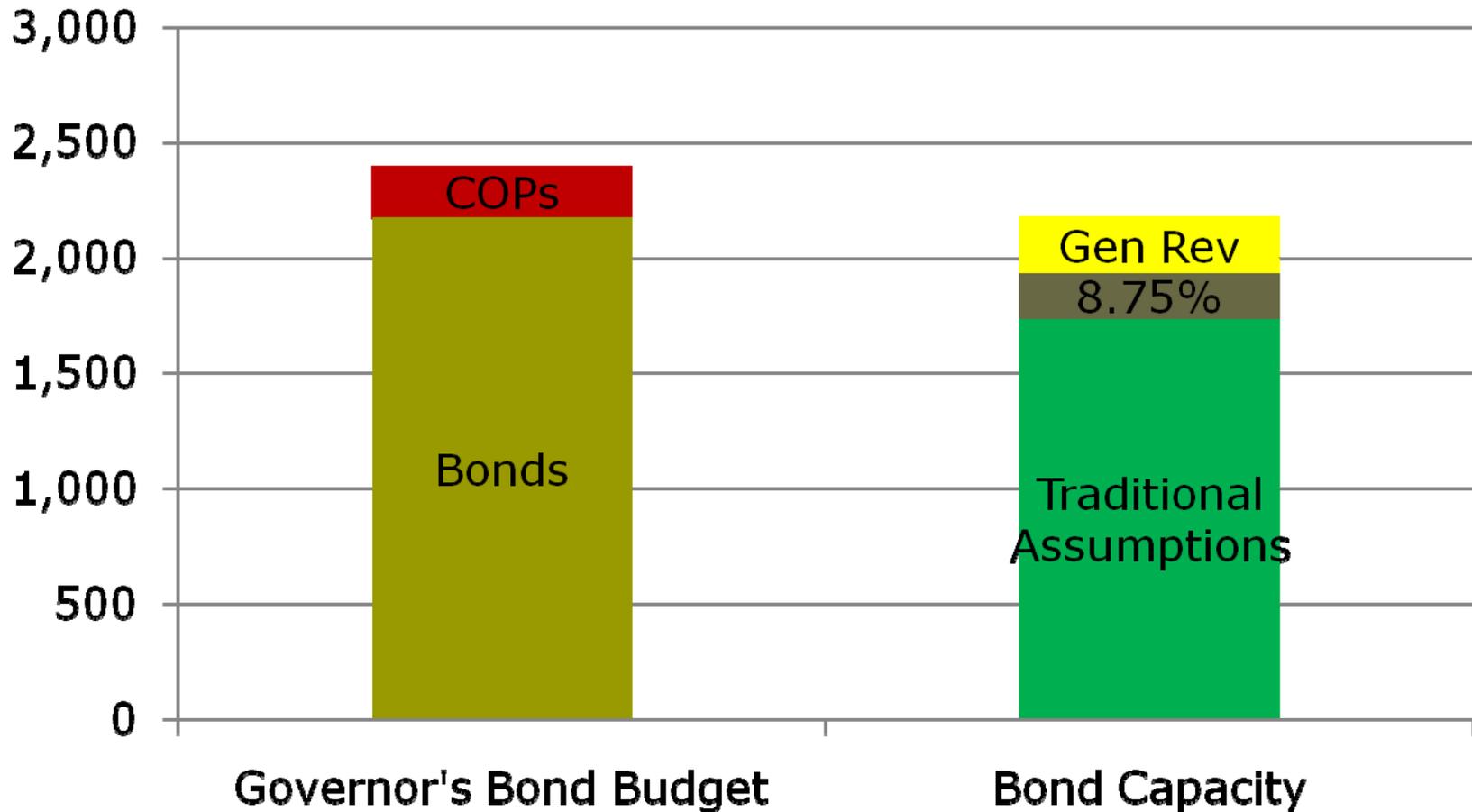
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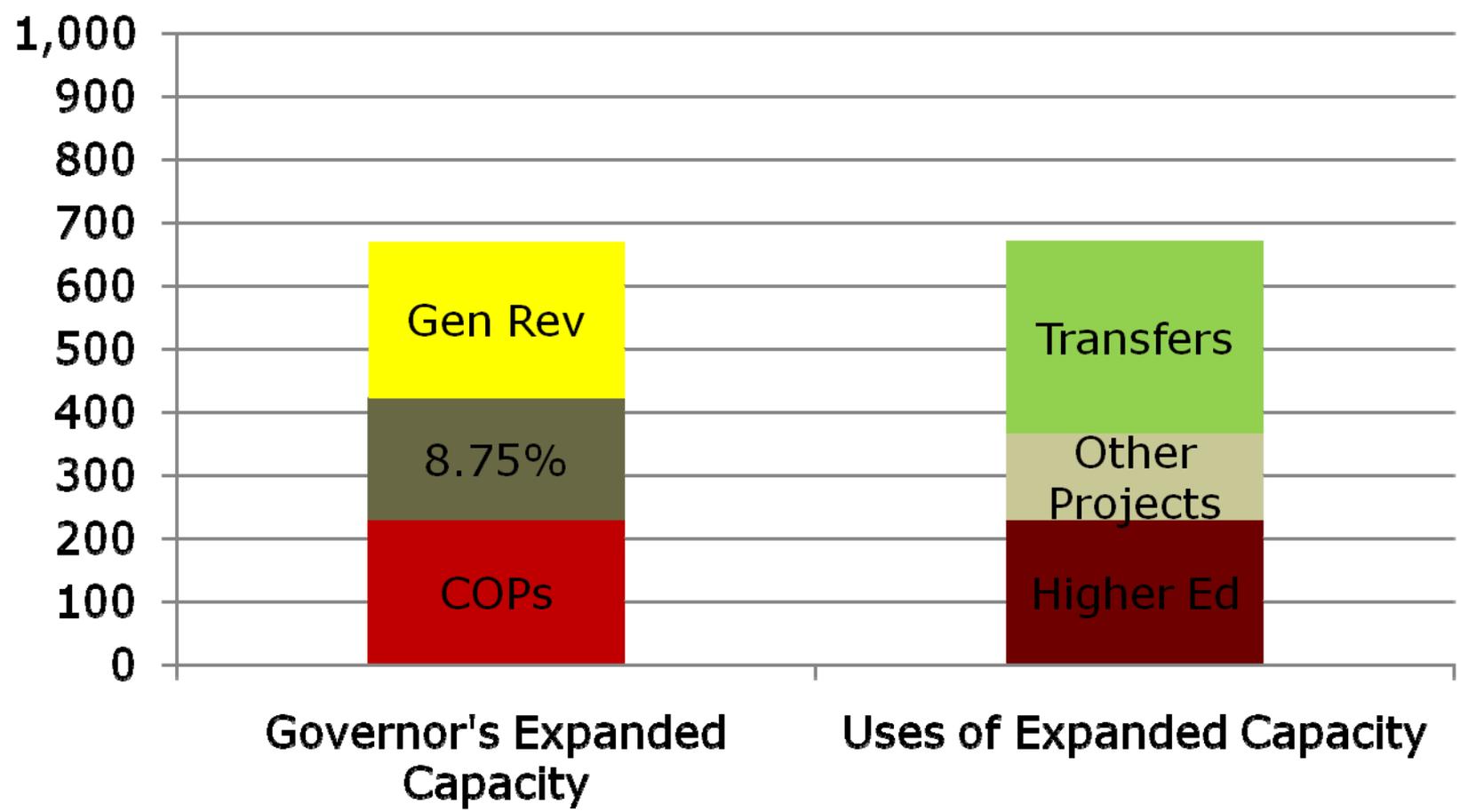
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How Does the Governor Use the Expanded Bond Capacity?



Select Economic Development Projects

	Bonds	Total
2007-09		
Job Development Fund Grants	0	49,930
Community Economic Revitalization Board	12,711	20,000
Innovation Partnership Zones	5,000	5,000
Governor's 2009-11 Request		
Community Economic Revitalization Board	13,000	19,253
Innovation Partnership Zones	5,000	5,000
Alternative Energy Investments	10,000	10,000
Infrastructure Investments	20,000	20,000



Possible Questions regarding 2009-11 Economic Development Investments

- ◆ How should an economic development investment strategy change during the recession?
- ◆ Do you create new businesses?
- ◆ Or help existing businesses avoid layoffs or rehire unemployed workers?
- ◆ How much will come from the Federal Stimulus package, and what discretion will the state have?