

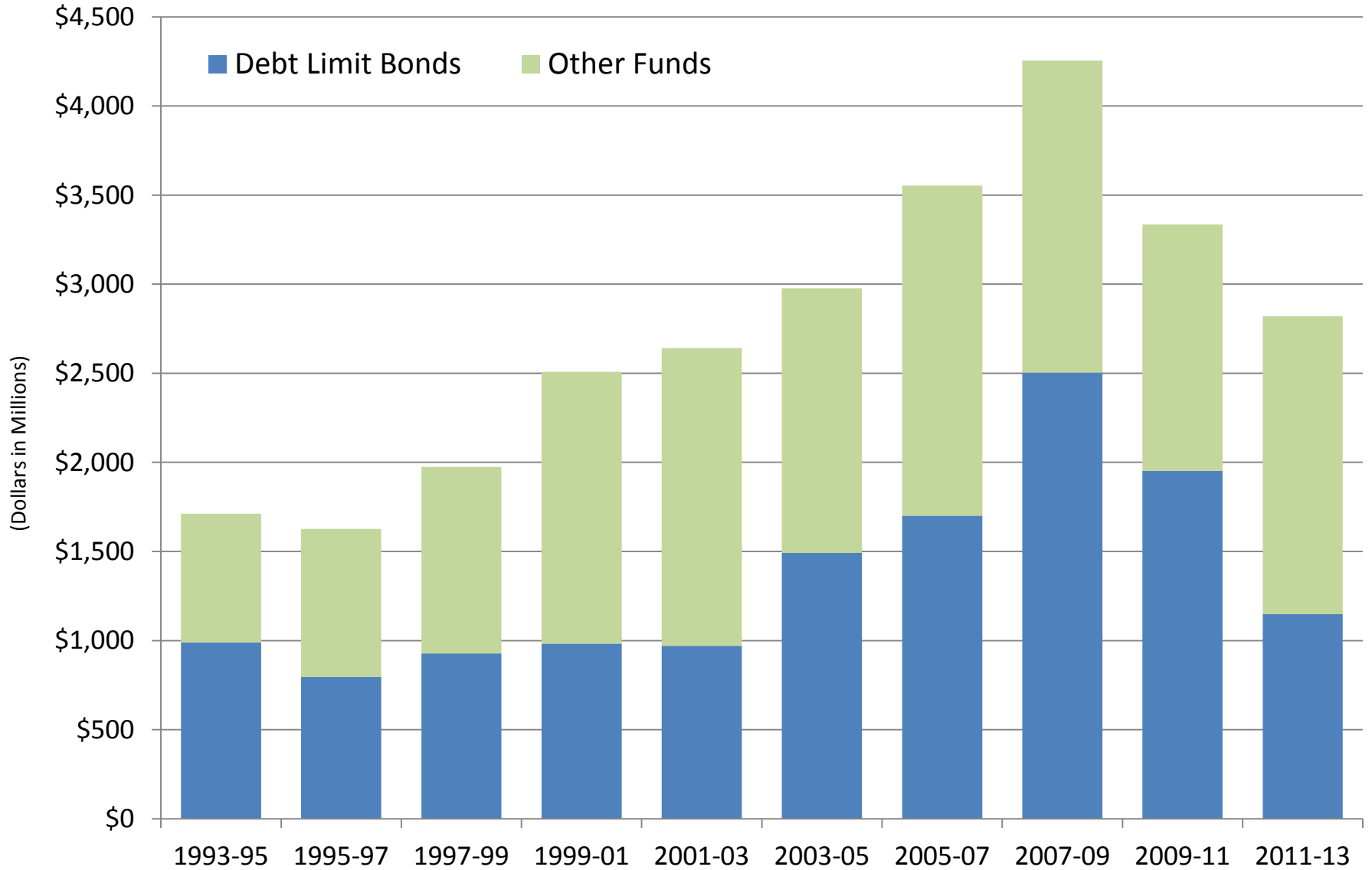
# Overview of State Financing of Public Infrastructure

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Office of Program Research  
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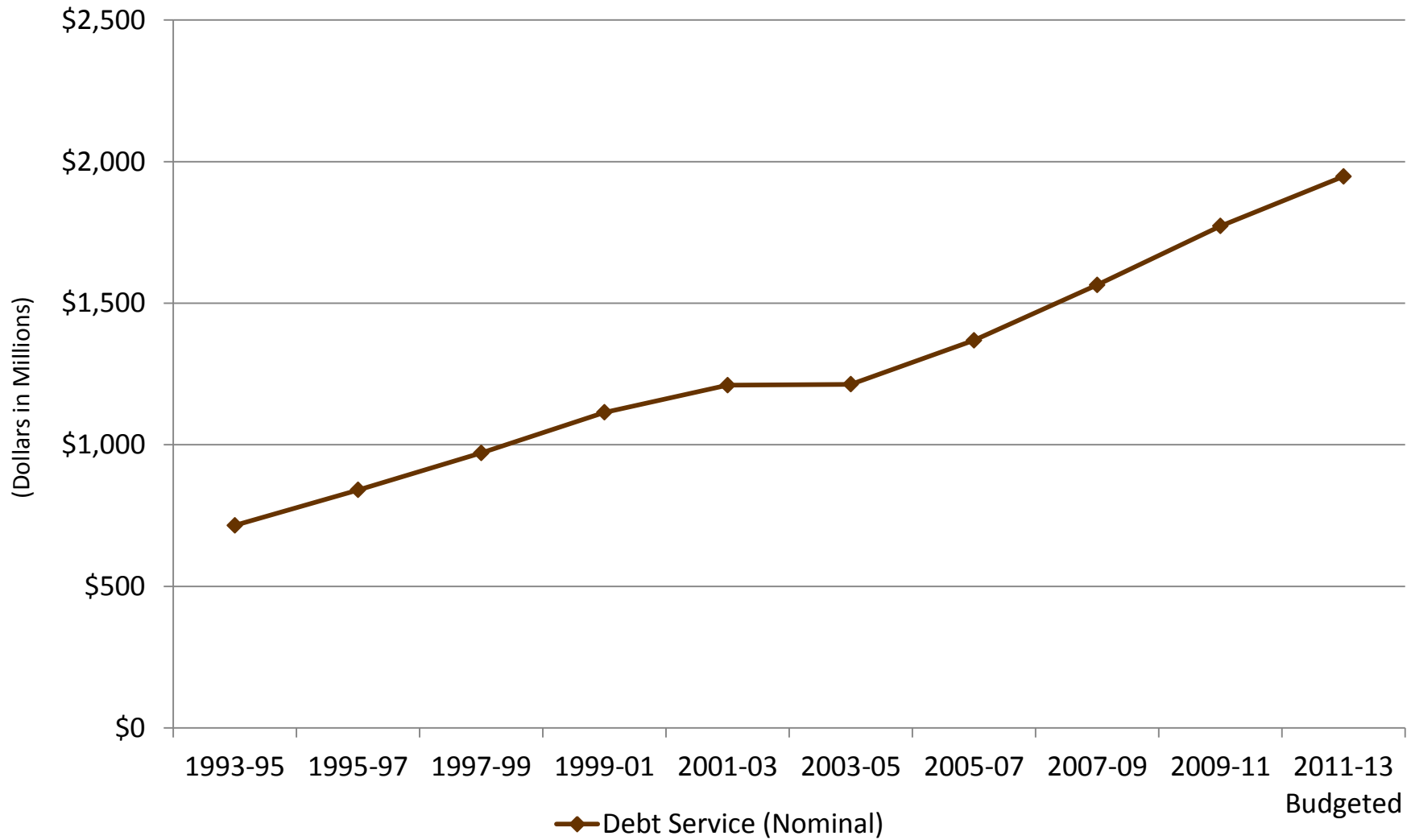
# The Capital Budget appropriates money for the construction and renovation of:

- State owned land and buildings (higher education, prisons, juvenile rehabilitation, mental health facilities, office space, other)
- Parks and recreation facilities, wildlife habitat conservation and open space projects
- Public school buildings
- Local government infrastructure improvements
- Wastewater and toxic waste cleanup facilities
- Low-income housing
- State and local museums and cultural facilities

# Capital Budget Appropriation History

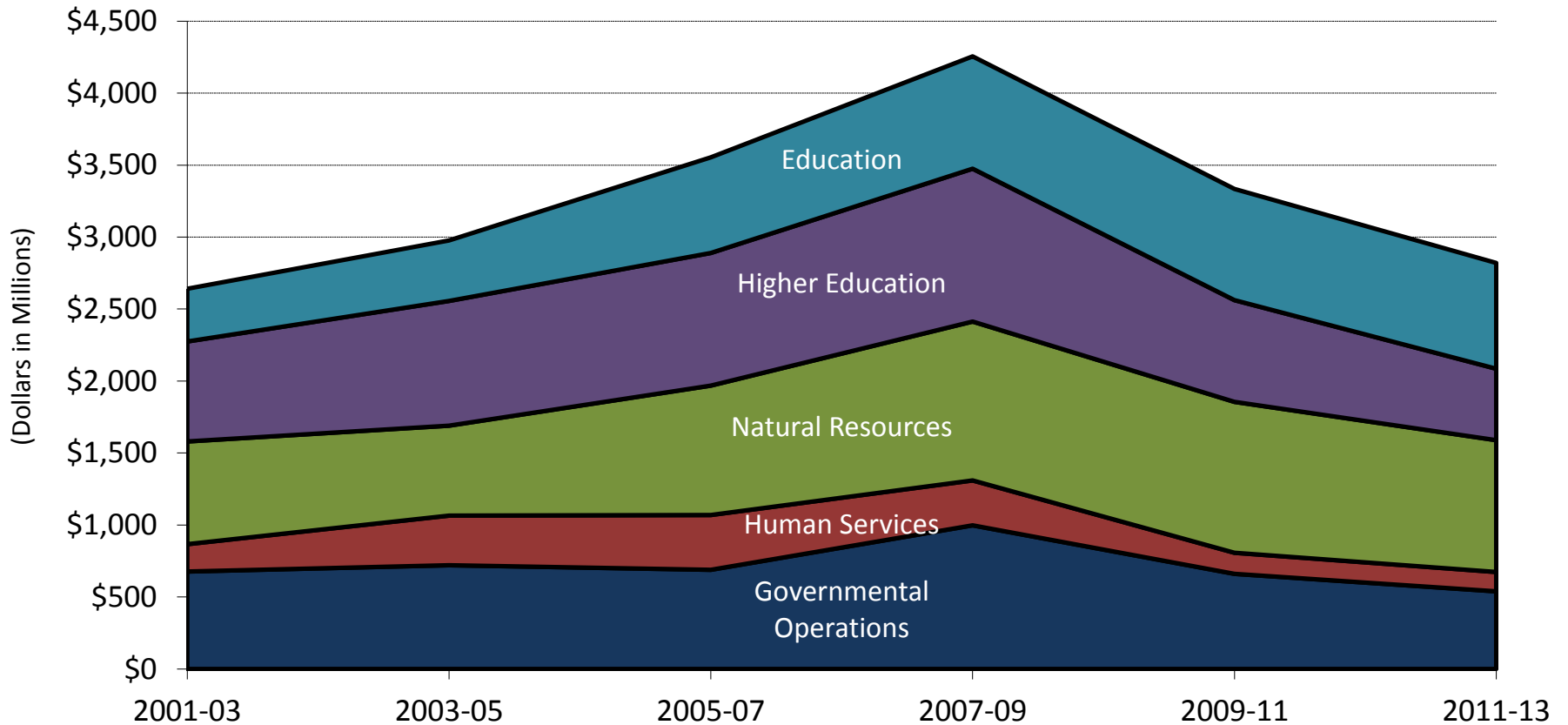


# State General Fund Debt Service Expenditures



# Capital Budget Functional Area History

## Total Appropriations

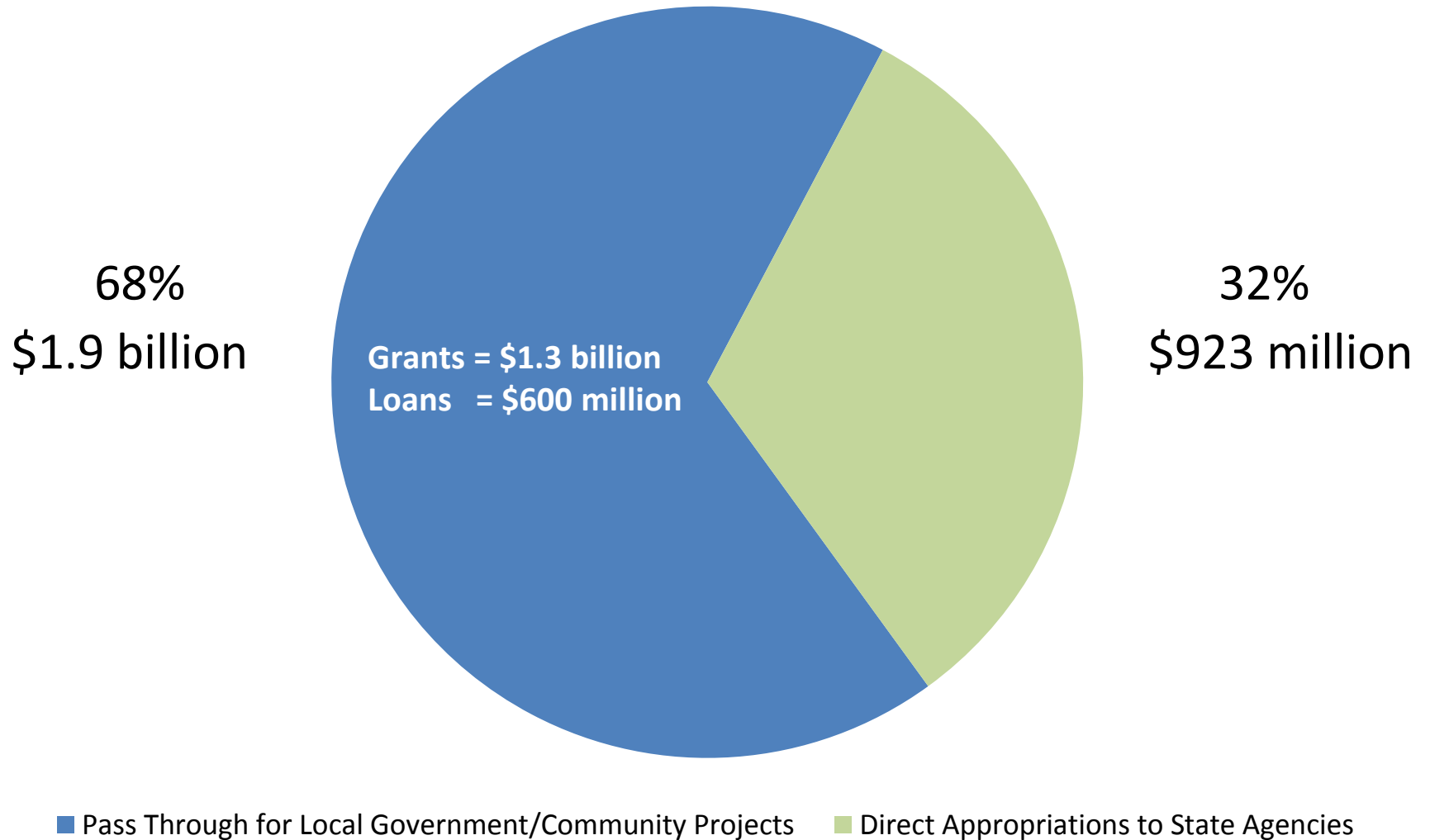


(Dollars in Millions)	2001-03	2003-05	2005-07	2007-09	2009-11	2011-13	2011-13
Governmental Operations	677	721	689	998	661	539	19.1%
Human Services	190	345	381	312	146	134	4.8%
Natural Resources	714	625	899	1,104	1,048	916	32.5%
Higher Education	694	866	921	1,062	706	496	17.6%
Education	366	420	664	780	772	735	26.1%
<b>Total</b>	<b>\$2,641</b>	<b>\$2,977</b>	<b>\$3,554</b>	<b>\$4,255</b>	<b>\$3,334</b>	<b>\$2,820</b>	<b>100.0%</b>

# Selected State Capital Facility and Infrastructure Needs

- **Office of the Superintendent of Public Instruction 2011-21 Plan:** Estimates **\$5.7 billion** of need in school construction assistance, skills centers, small repairs and energy efficiency projects
- **Department of Corrections 2011-21:** Estimates between **\$1.3 billion to \$2 billion** in needs including programmatic projects, major renovations, minor works and backlog.
- **Department of Ecology 2008-2028 Clean Watersheds Needs Survey** (to be updated in 2012): Estimates **\$5.3 billion** in wastewater and storm water projects.
- **Department of Commerce Housing Trust Fund Program:** Estimates **\$100 million/year** in unmet need on historical application cycles in which requests exceeded resources by about \$100 million per year.

# Two-thirds of the 2011-13 Capital Budget supports local government, public school, and community projects.



# Housing Trust Fund

## Department of Commerce

**Purpose:** Construct, acquire, rehabilitate low-income multi-family and single-family housing. Set-asides by the Legislature for specific populations such as farm workers, people with special needs, homeless families with children, homeless veterans. 72% of households served are very low income (under 30% of area median income).

**Loans and grants to:** Local governments, housing authorities, non-profit organizations, federally recognized Indian tribes (approximately 71% of funding is in loans).

**Typical loan terms:** 40 years; 1% rate.

**Leverage:** \$1:\$5

**2011-13 appropriation and source:** \$50 million, State Taxable Bonds.

**Initiated:** 1989

**Current loan portfolio:** \$850 million



# Water Pollution Control State Revolving Fund

## Department of Ecology

**Purpose:** Plan, design, acquire and construct water pollution control facilities and nonpoint source pollution control activities.

**Loans to:** counties, cities, special purpose districts, federally recognized Indian tribes, conservation districts.

**Typical loan terms:** Up to 20 years. Interest rate is based on average market rate for tax-exempt municipal bonds and on repayment period. Up to 5 years: 1.3%, 5-20 years, 2.6%. Hardship interest rates, extended terms, forgivable principal also offered in certain circumstances.

**2011-13 appropriation and sources:** \$184 million. State Revolving Account (loan repayments), Federal Revolving Account (EPA capitalization grant), State Match (Public Works Assistance Account).

**Initiated:** 1987

**Current loan portfolio:** \$1 billion.

# Public Works Assistance Account

## Public Works Board/Commerce

**Purpose:** Repair, replace, rehabilitate, reconstruct, improve eligible public works systems to meet current standards for existing users. Eligible systems are: sanitary sewer, domestic water, bridge, storm sewer, solid waste/recycling, roads, streets, bridges.

**Loans to:** Counties, cities, towns, special purpose districts. Ports and school districts are ineligible.

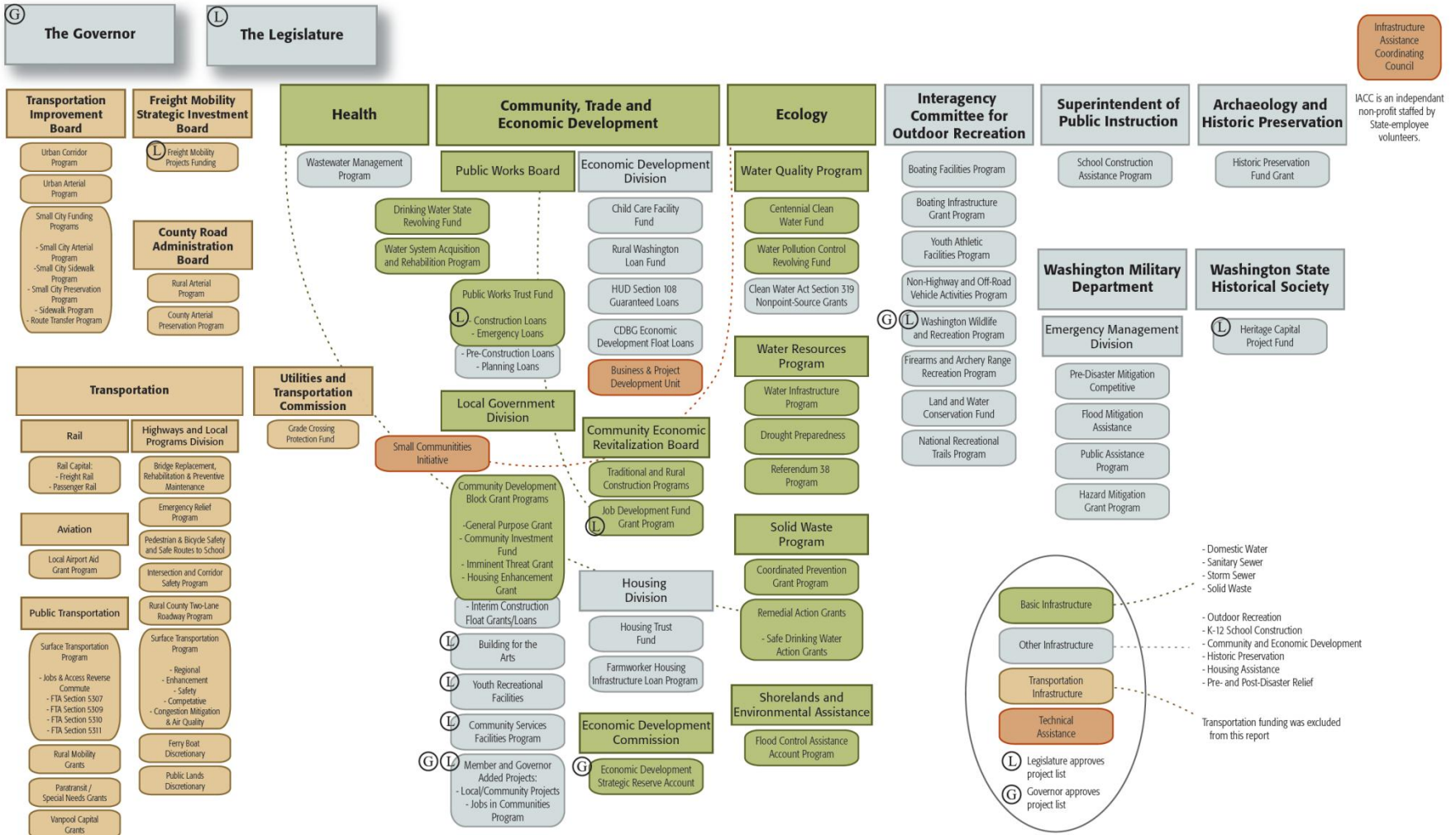
**Typical loan terms:** 0 – 2%, depending on “distress” status and match

**2011-13 appropriation and sources:** \$324.6 million. Public Works Assistance Account (loan repayments, and revenues from the real estate excise tax, solid waste collection tax, public utilities tax).

**Initiated:** 1985

**Current loan portfolio:** \$2.3 billion

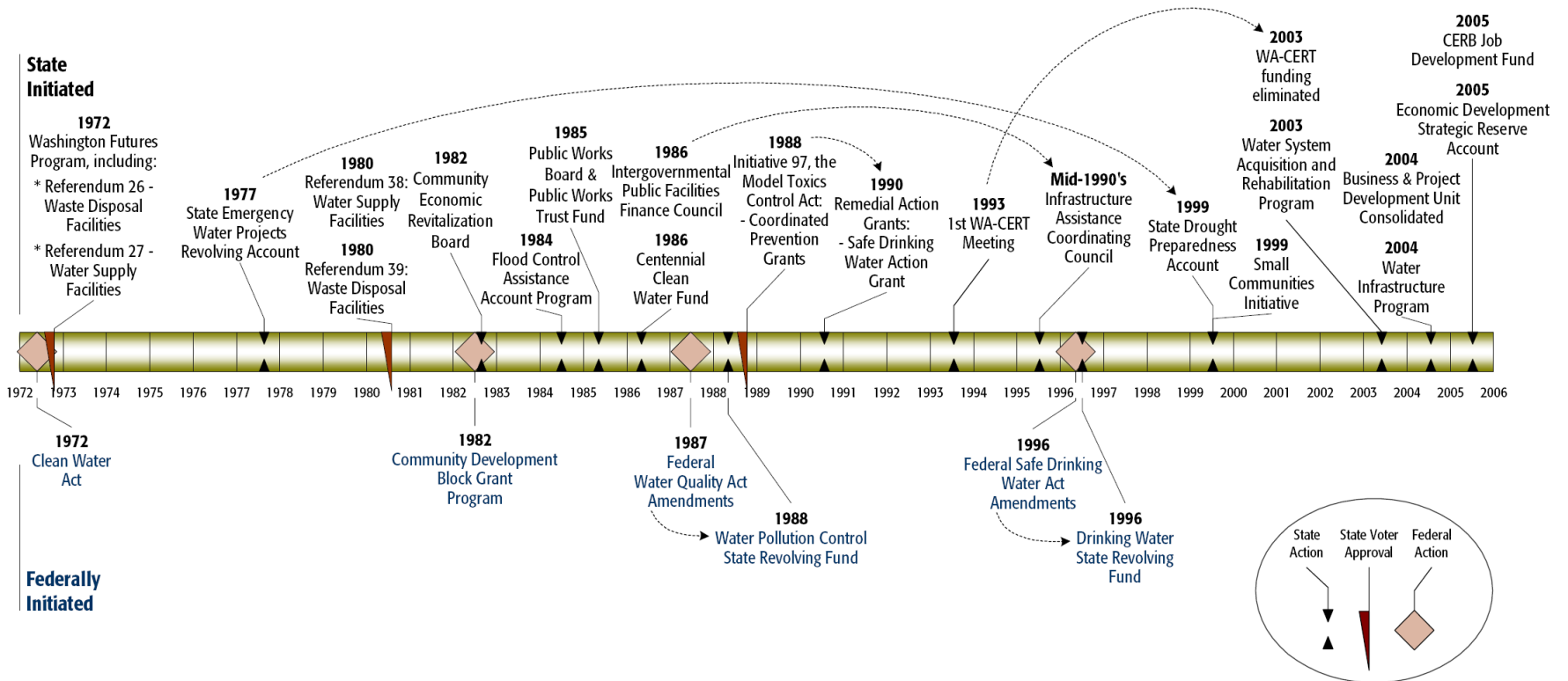
**Exhibit 5**  
**Basic Infrastructure Programs: A System of Programs Assembled Incrementally Over 30 Years**



Source: Berk & Associates, 2005

# Timeline of Program Creation

**Exhibit 5**  
**Basic Infrastructure Programs: A System of Programs Assembled Incrementally Over 30 Years**  
**Timeline of Program Creation: 1972 - 2006**



For further questions, please contact us:

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House Office of Program Research  
Capital Budget Committee