

# Capital Budget Overview

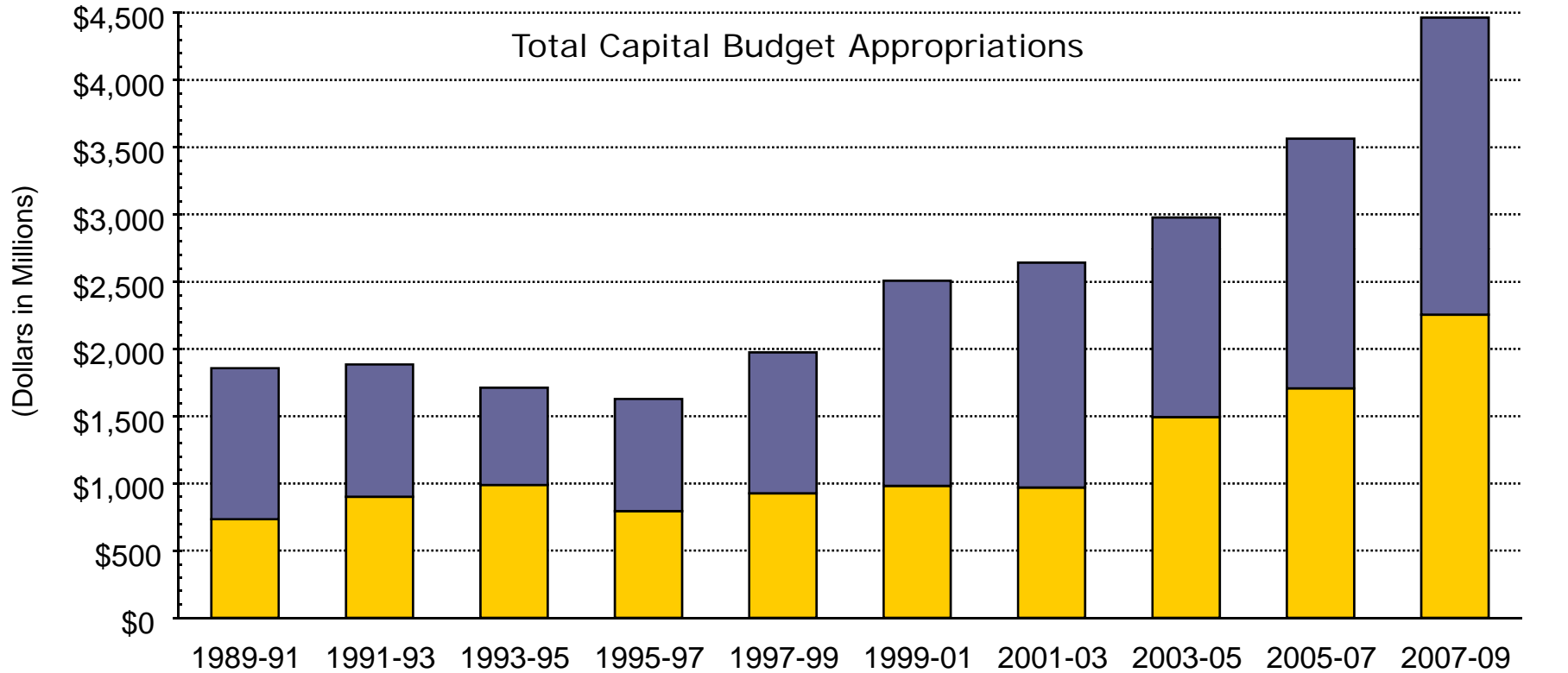


Joint Task Force on School  
Construction Funding

August 13, 2008

Prepared by JTFSCF Legislative Staff

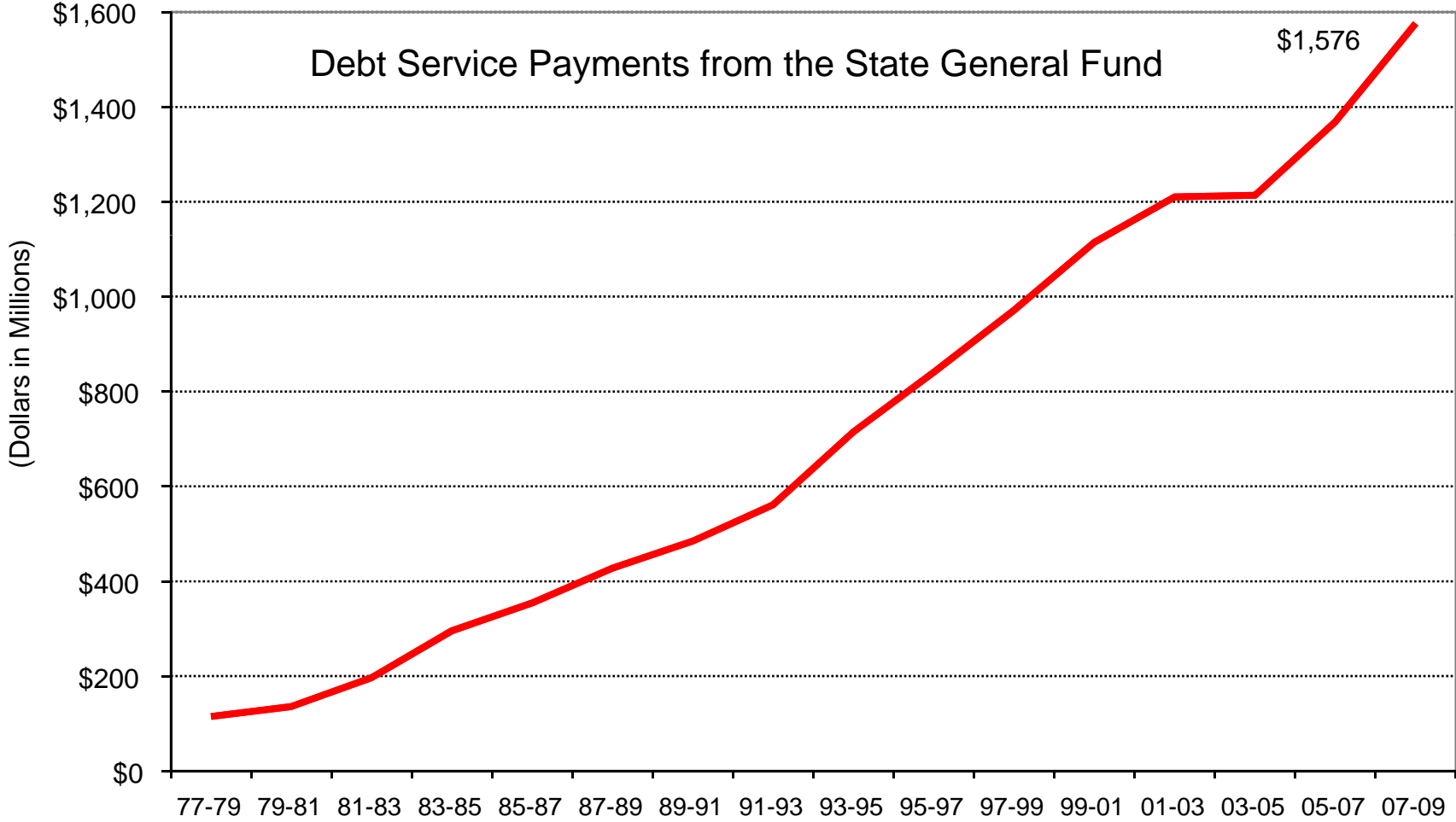
# Half of the capital budget is financed with state general obligation bonds.



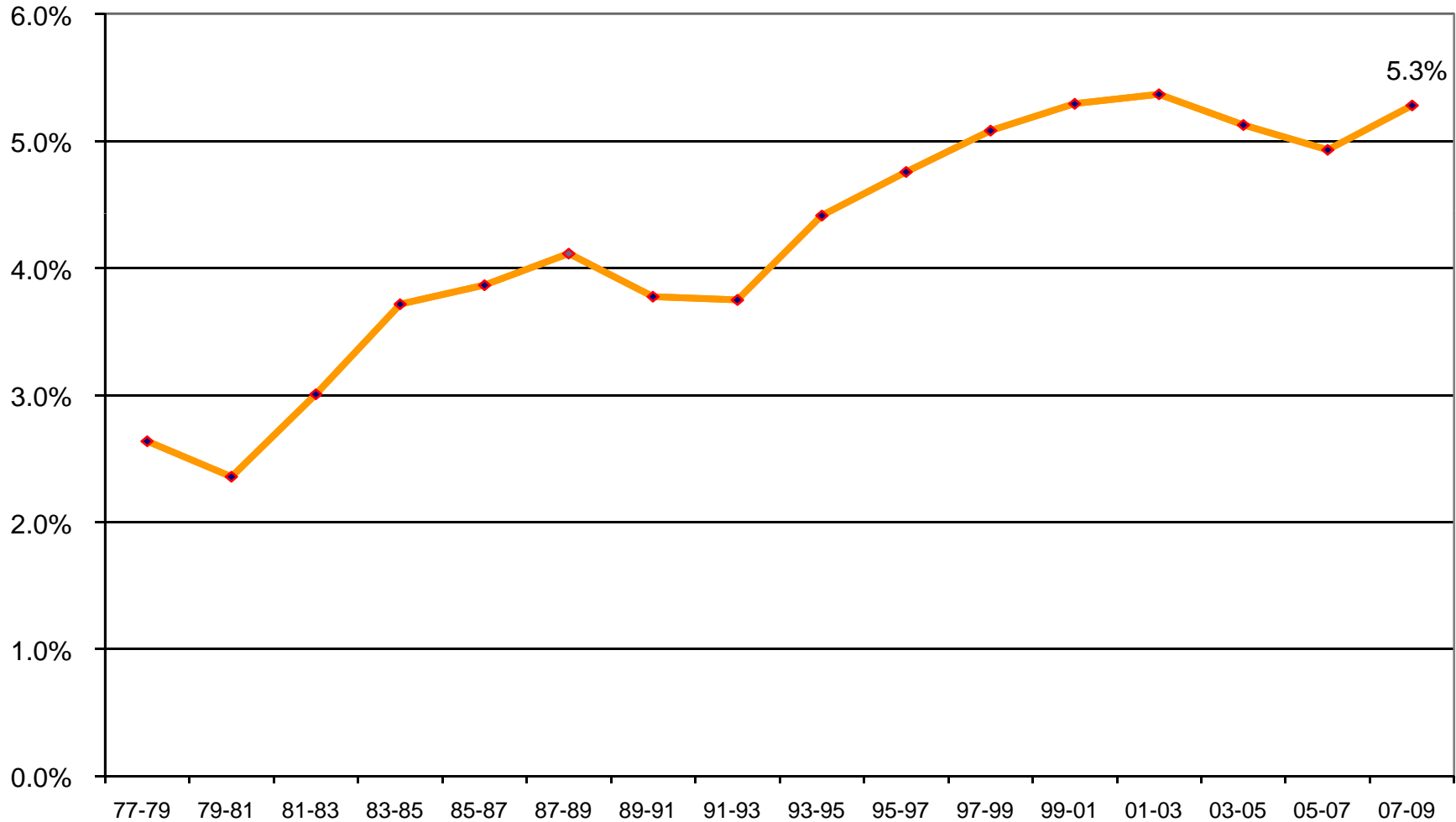
■ Debt Limit Bonds
 ■ Other Funds

	1989-91	1991-93	1993-95	1995-97	1997-99	1999-01	2001-03	2003-05	2005-07	2007-09
Debt Limit Bonds	733,598	900,449	989,148	796,026	927,447	982,194	970,166	1,494,398	1,707,687	2,254,758
Other Funds	1,124,077	984,335	722,467	830,639	1,047,044	1,525,420	1,670,829	1,485,250	1,855,924	2,209,624
<b>Total Funds</b>	<b>1,857,675</b>	<b>1,884,784</b>	<b>1,711,615</b>	<b>1,626,665</b>	<b>1,974,491</b>	<b>2,507,614</b>	<b>2,640,995</b>	<b>2,979,648</b>	<b>3,563,611</b>	<b>4,464,382</b>

For the 2007-09 biennium, bond debt service is 5.3% of the state general fund.

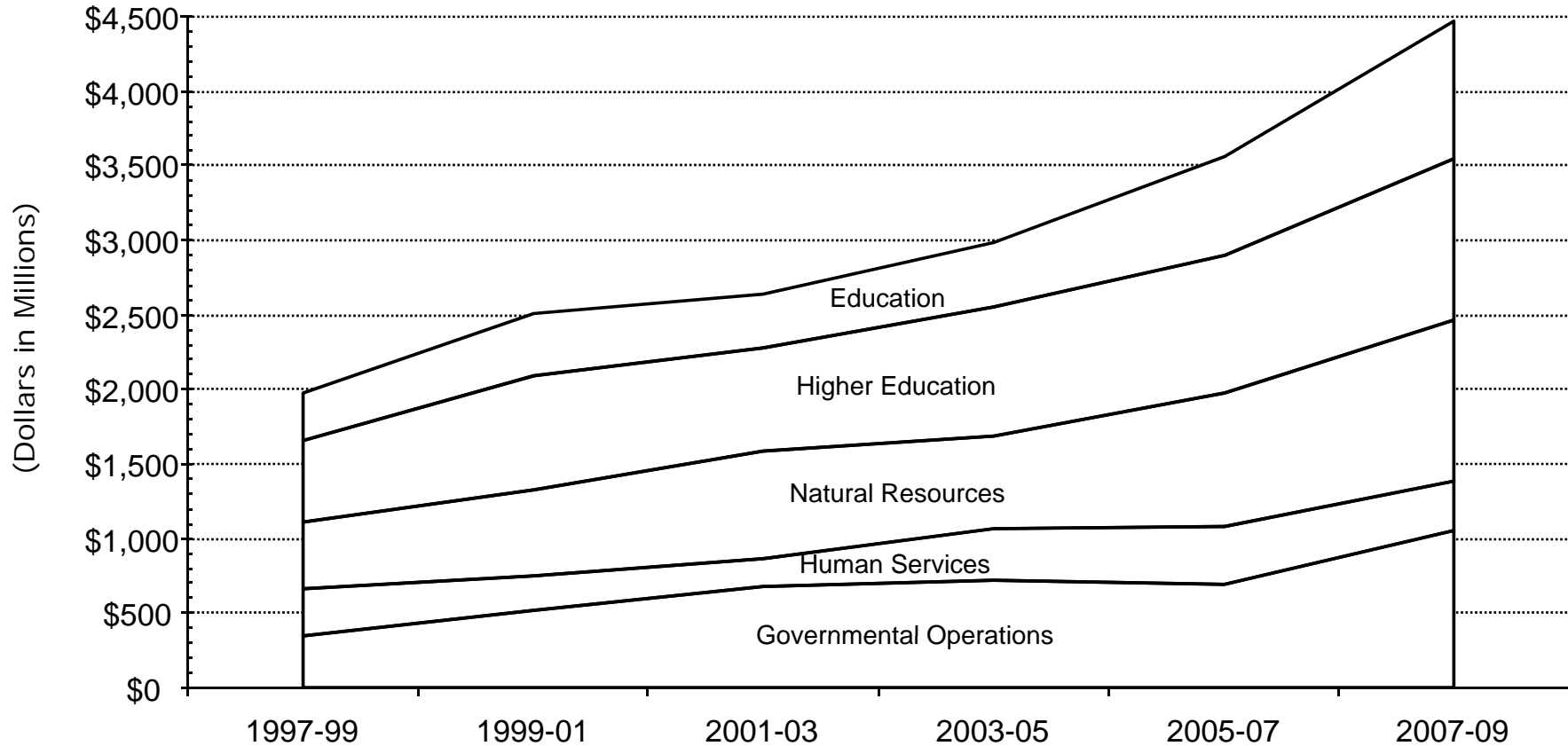


# Debt Service Payments Percent of State General Fund



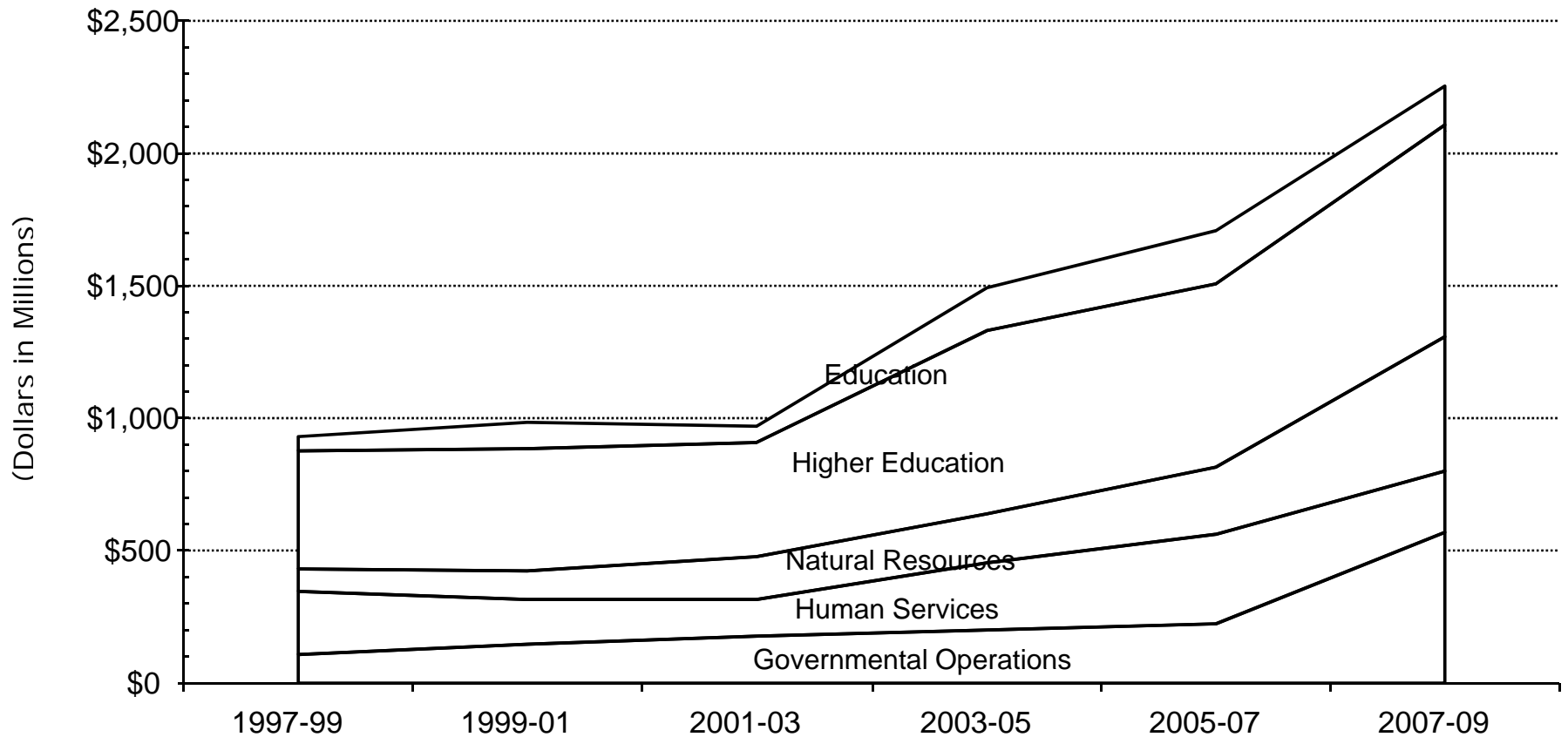
# State agencies are categorized into functional areas for budgeting purposes.

Capital Budget Functional Area Summary  
Total Appropriations **(All Fund Sources)**

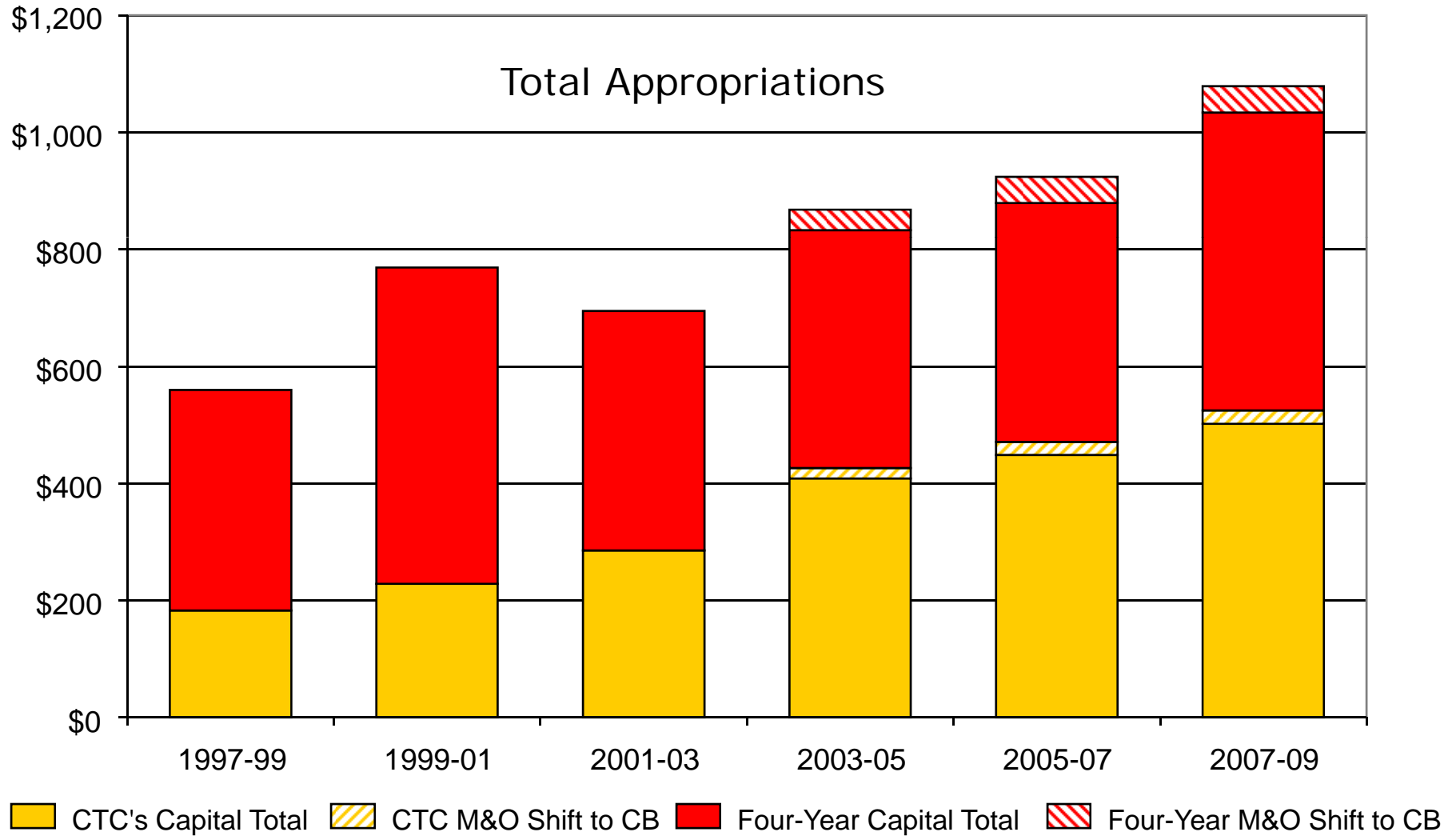


Higher education received the largest bond share of the capital budget at 35.3% in the 2007-09 biennium.

Capital Budget Functional Area Summary  
**Debt Limit Bond Appropriations**



# The CTC share of higher education appropriations has been steadily increasing.



# Primary Funding Sources for Higher Education Capital Projects

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- State General Obligation Bonds
  - 2003-05 to 2007-09 – enhanced bond funding using Gardner-Evans bonds (\$750 million over three biennia)
- Building Accounts
  - Building fee portion of tuition
  - Trust land revenue
- Education Construction Account
  - Lottery revenue
- Other



# Major Capital Budget Growth Areas (Total Appropriations – All Funds)

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	1997-99	1999-01	2001-03	2003-05	2005-07	2007-09
Community Projects	7,150	9,320	39,725	52,525	136,050	219,674
Housing Assistance	54,700	74,800	78,000	80,040	121,000	200,000
Public Works Trust Fund	180,977	296,743	308,373	155,000	288,900	327,000
Dept of Corrections	209,294	125,865	68,582	198,953	299,785	159,514
WWRP	45,000	48,773	45,000	45,000	50,000	100,000
Toxics Accounts (Local/State)	43,479	42,479	70,500	45,250	135,600	184,889
Trust Land Transfer Bonds	34,500	66,000	50,000	55,000	61,610	98,985
K-12 Construction Assistance	289,500	371,900	345,000	402,300	641,766	791,759
Higher Education	559,687	768,491	694,414	867,625	924,084	1,078,335
All Other	550,204	703,243	941,401	1,077,955	904,816	1,304,226
<b>Total All Funds/All Agencies</b>	<b>1,974,491</b>	<b>2,507,614</b>	<b>2,640,995</b>	<b>2,979,648</b>	<b>3,563,611</b>	<b>4,464,382</b>

# Projected Capital Budget Bond Capacity

(Dollars in Thousands)

	<u>2007-09</u>	<u>2009-11</u>	<u>2011-13</u>
General Obligation Bonds	1,931,779	1,868,510	1,943,250
Gardner-Evans Higher Education Bonds	222,415	0	0
Columbia River Basin Water Bonds	34,500	35,500	40,000
Chehalis River Basin Bonds	50,000	0	0
<b>Total Bond Capacity Subject to Debt Limit</b>	<b>\$ 2,238,694</b>	<b>\$ 1,904,010</b>	<b>\$ 1,983,250</b>
New Skills Center/K-12 Bonds (Outside Debt Limit)	16,000	84,000	0
<b>Total Bond Capacity</b>	<b>\$ 2,254,694</b>	<b>\$ 1,988,010</b>	<b>\$ 1,983,250</b>

Projected debt capacity is based on June 2008 debt model assumptions. Balances to 7% statutory debt limit and 8.5% working constitutional debt limit. Does not address possible debt model correction to biennial appropriation growth assumption.

# Six-Year Plan Comparison

## State Bonds Only

### 2007-09 Enacted Capital Budget Plus Bowwave Scenario

	Enacted 2007-09	2009-11	2011-13
Higher Education	796	1,008	729
K-12 Construction Assistance Grants	110	426	482
Skills Centers	79	114	66
Prisons	151	80	172
Housing Assistance	187	130	130
WWRP	100	100	100
Chehalis River Basin	50	0	0
All Other	782	505	414
Total	<u>2,255</u>	<u>2,362</u>	<u>2,092</u>
Projected Debt Capacity	2,255	1,988	1,983
Difference	0	(374)	(109)

“All Other” includes construction funding for all other functional areas of state government that receive capital appropriations. “Projected Debt Capacity” is based on June 2008 debt model assumptions.

# Appendix 1 - Functional Area Breakdown

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## □ Governmental Operations

- Statute Law Committee
- Department of Community, Trade & Economic Development
- Office of Financial Management
- Department of General Administration
- Department of Information Services
- Washington State Patrol
- Military Department
- Department of Archaeology & Historic Preservation
- State Convention and Trade Center

## □ Human Services

- Criminal Justice Training Commission
- Department of Social & Health Services
- Department of Health
- Department of Veterans Affairs
- Department of Corrections
- Department of Employment Security

## □ Natural Resources

- Department of Ecology
- State Parks & Recreation Commission
- Recreation and Conservation Funding Board
- State Conservation Commission
- Department of Fish & Wildlife
- Department of Natural Resources

## □ Higher Education

- Higher Education Coordinating Board
- 4 Year Institutions of Higher Education
- Community & Technical College System

## □ Education

- Public Schools
- School for the Blind
- School for the Deaf
- Historical Societies