

Washington State Capital Budget - 2023 Briefing Book



Washington State Capital Budget

2023 Briefing Book

Office of Program Research
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2023 Capital Budget Briefing Book
Table of Contents

Budget Overview 1
 Washington’s Three Budgets 3
 Budget Process 5
 Major Applicable State Constitutional Provisions 5
Capital Budget Basics 9
 Capital Budget Projects, Phases, and Standards 11
 State-Owned and Leased Facilities 14
 The Capital Budget Bill and the Bond Bill 16
Capital Budget Funding Sources 20
 General Obligation Bonds 23
 Trust Revenues 25
 Federal Funds 26
 Other Funds 27
 Alternative Financing Contracts 27
 The Functional Areas of State Government 31
Governmental Operations 36
 Overview of Governmental Operations 38
 Department of Commerce 39
 Department of Enterprise Services 52
 Office of Financial Management 54
 Military Department 55
 Washington State Patrol 57
 Department of Archaeology and Historic Preservation 58
 Secretary of State 60
 Relevant Organizations to the Functional Area 62
Human Services 65
 Overview of Human Services 67
 Department of Social and Health Services 68
 Department of Children, Youth, and Families 72

Department of Labor and Industries.....	74
Department of Health	75
Department of Veterans Affairs	77
Criminal Justice Training Commission.....	78
Department of Corrections	79
Natural Resources	85
Overview of Natural Resources	87
Department of Ecology	88
Recreation and Conservation Office	98
State Parks and Recreation Commission.....	110
State Conservation Commission	113
Department of Fish and Wildlife.....	115
Department of Natural Resources	118
Department of Agriculture	123
Washington Pollution Liability Insurance Program.....	124
Relevant Organizations to the Functional Area	125
Higher Education	127
Overview of Higher Education	129
University of Washington	134
Washington State University.....	135
Eastern Washington University.....	136
Central Washington University.....	137
The Evergreen State College.....	138
Western Washington University	139
State Board for Community and Technical Colleges.....	140
Relevant Organizations to the Functional Area	142
Education	144
Overview of Education.....	146
Office of the Superintendent of Public Instruction	147
State School for the Blind	157
Center for Deaf and Hard of Hearing Youth.....	158

Washington State Historical Society.....	159
Eastern Washington State Historical Society.....	160
Relevant Organizations to the Functional Area	161
Capital Budget Staff Contact Info.....	163

Budget Overview



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

Washington's Three Budgets

Washington typically adopts three budgets on a biennial budget cycle. The Legislature authorizes expenditures for operating, capital, and transportation purposes for a two-year period, and authorizes bond sales through passage of a bond bill associated with the capital budget. The capital budget for the 2021-23 biennium covers the period from July 1, 2021, through June 30, 2023. Typically, the primary two-year budget is enacted in the odd-numbered years, and a supplemental budget making adjustments to the two-year budget is often enacted during the even-numbered years.

Operating Budget: The House committee primarily responsible for the operating budget is the Appropriations Committee. The operating budget includes appropriations for the general day-to-day operating expenses of state agencies, colleges and universities, and public schools. Employee salaries and benefits, leases, goods and services, apportionment allocations to school districts, and public assistance payments are typical operating expenses.

For the 2021-23 biennium, appropriations in the operating budget total \$130.9 billion. Forty-seven percent of the total operating budget is supported by the State General Fund. The State General Fund revenues are primarily from the retail sales and use tax (50 percent), the business and occupation tax (19 percent), and the state property tax (15 percent). Federal funds support 32 percent and other appropriated funds support 22 percent of the total operating budget.

Transportation Budget: The House committee primarily responsible for the transportation budget is the Transportation Committee. The transportation budget includes appropriations for both the operating and the capital costs of highways, ferries, bridges, public airports, rail, as well as motor vehicle registration and enforcement.

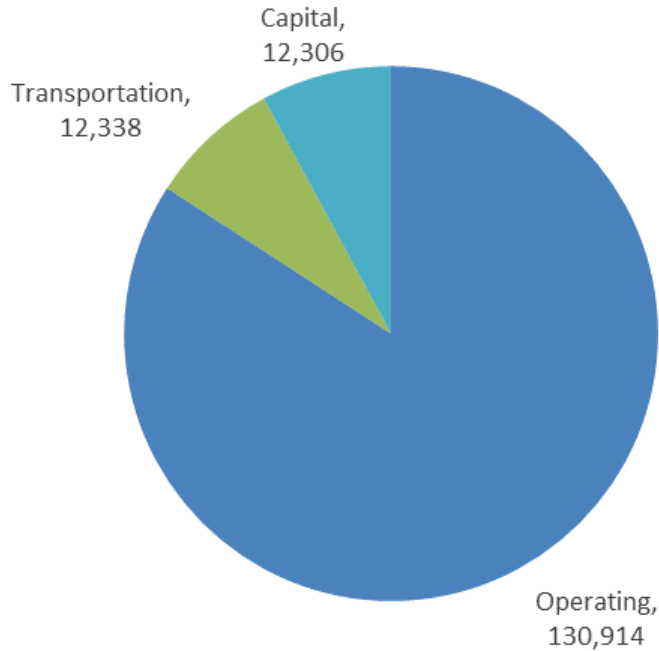
For the 2021-23 biennium, appropriations in the transportation budget total \$12.3 billion, including \$6.5 billion (53 percent) for capital costs and \$5.8 billion (47 percent) for operating costs. The transportation budget fund sources include: the state gas tax, licenses, fees, and other state revenues (73 percent); bonds (22 percent); federal funds (4 percent); and local funds (1 percent). Transportation-related bonds are financed chiefly through the motor vehicle fuel tax.

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

For the 2021-23 biennium, new appropriations in the capital budget total \$7.8 billion, including \$4 billion from state general obligation bonds and \$3.8 billion from a variety of dedicated fees and taxes, federal funds, timber revenues, and the building fee portion of student tuition payments. Additionally, \$4.5 billion is reappropriated for uncompleted projects approved in prior biennia. There is a total of \$12.3 billion in capital appropriations and reappropriations.

The Three Washington Budgets, 2021-23

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022. Data reflects 2021-23 biennium after the 2022 Supplemental Budgets. For comparison purposes, the data includes total budgeted funds, which includes non-appropriated accounts. The transportation and capital budgets include reappropriations and new appropriations.

Budget Process

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

Major Applicable State Constitutional Provisions

The State Constitution

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

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

The Title/Subject Rule (Procedural)

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

Appropriation Requirement (Procedural)

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

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

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

Governor's Item Veto Powers (Procedural)

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

Court decisions about the item veto power are based on the operating budget, which is generally structured in a lump sum appropriation format. In contrast, the capital budget is generally structured as item appropriations for particular projects. It is unclear whether legal principles based on operating budget item vetoes would apply to the same extent in the capital budget.

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

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

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

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

Special Legislation (Substantive)

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

Debt Limit (Substantive)

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

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

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

Capital Budget Basics



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

Capital Budget Projects, Phases, and Standards

Capital Budget Projects

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

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

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

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

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

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

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

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

Phases of a Capital Project

Phases of a Capital Project	Who Performs the Work
Land Acquisition	Department of Enterprise Services, agency staff, or consultants for large projects.
Predesign	Agency staff or consultants with active participation of agency staff for large projects.
Design and Engineering	Private architectural and engineering firms (agency staff may work on small projects).
Construction	Private contractors (small projects under \$25,000 may be completed by agency staff).

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

Predesign: A predesign is a decision-making tool that is required by statute for all capital projects that exceed \$5 million, except for higher education capital projects, which require a predesign for projects that exceed \$10 million. The Legislature and OFM may also require a predesign for certain stand-alone projects between \$1 million and \$5 million, or between \$2 million and \$10 million in the case of the higher education institutions. The purpose of the predesign is to clearly identify the facility need or problem to be addressed and provide a thoughtful analysis of the options to meet the need or solve the problem. This will assist decision makers in determining whether the project should proceed to design and construction. The predesign process includes data collection, analysis, program development, budget development, and evaluation through which all the elements of a preliminary design or planning solution are explored. A predesign also provides cost estimates and helps ensure that the completed project follows legislative intent. The predesign often is prepared by architectural consultants and usually includes a detailed space plan.

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

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

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

Minor Works Appropriations

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

Leadership in Energy and Environmental Design (LEED) Certification

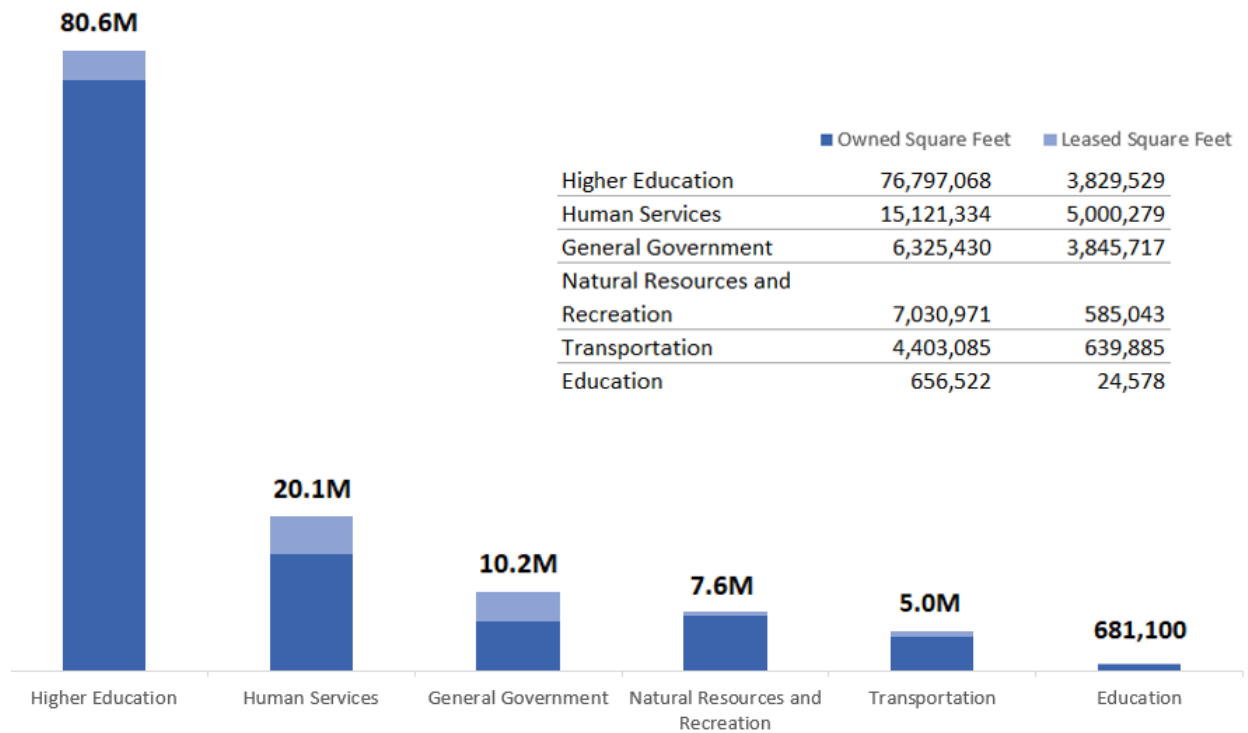
Pursuant to chapter 39.35D RCW, all major facility projects funded in the capital budget, or projects financed through a financing contract are required by statute to be designed, constructed, and certified to at least the LEED silver standard, to the extent appropriate LEED silver standards exist for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

State-Owned and Leased Facilities

Inventory of State-Owned and Leased Facilities

As of June 30, 2022, the statewide inventory included 11,222 facilities, totaling more than 124.3 million square feet. A facility is defined as a building or a structure with at least one wall, a roof and a permanent foundation, regardless of occupancy. Based on square footage, 88.8 percent of the state’s facilities inventory is owned (10,293 facilities, 110.3 million square feet), while the remaining 11.2 percent is leased (929 facilities, 13.9 million square feet). For the first time, the Office of Financial Management (OFM) is reporting receivable facilities, or subleases, as part of the inventory. The 2022 cycle includes 217 receivable facilities, totaling 3.4 million square feet. The executive summary, dashboard, inventory spreadsheets and related summary reports are available on the [OFM Facilities Inventory web page](#).

Owned and Leased Square Feet by Functional Area



Source: Office of Financial Management, [2022 Owned Facilities Summary Report](#) and [2022 Leased Facilities Summary Report](#).

State Agency Facility Oversight

In 2007, Substitute House Bill 2366 established the OFM Facilities Oversight Program. It oversees real estate procurement and management by providing analysis, long-term planning, policy development, and state facility portfolio management.

Facility Oversight responsibilities include:

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

State-Owned Facilities

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

Leased Facilities

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

The Capital Budget Bill and the Bond Bill

The Capital Budget Bill

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

Major elements of appropriations in the capital budget bill include:

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

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

Sample Capital Budget Appropriation/Reappropriation Section

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

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

Reappropriation:

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

Appropriation:

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

Prior Biennia (Expenditures) \$127,000

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

TOTAL \$31,500,000

Size of the Capital Budget

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

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

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

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

The Bond Bill

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

Major elements of the bond bill include the:

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

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

These identifications of security for payment include:

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

The Role of the State Finance Committee

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

1. planning and structuring bond sales;
2. applying for rating from bond rating agencies;
3. prepping "Official Statement" for each bond sale;
4. offering state bonds for sale in the bond market;
5. managing disclosure and reporting obligations required by federal regulatory agencies; and
6. making principal and interest payments to bondholders.

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

Washington's Bond Rating

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

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

It is important to remember that several factors influence the interest rate the state must pay on the bonds it issues. While the rating is one factor, other factors such as tax status, bond structure, market conditions, and economic outlook can also impact the interest rate of a particular sale. Nonetheless, a

rating downgrade or a negative outlook by one or more of these rating companies would likely cause investors to demand a higher interest rate on the bonds than they would otherwise.

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

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

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

Source: Office of the State Treasurer as of October 2020.

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

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

The primary reasons S&P and Fitch cite for their ratings not being higher are economic concerns relating to concentration of employment in the commercial aerospace and information technology sectors, concentrated revenue, a degree of fiscal uncertainty associated with voter initiatives, and above-average state debt levels.

S&P and Fitch describe factors that could lead to an upgrade such as industry diversification, reduction of the state’s debt ratios to levels closer to the 50-state medians, and sustainable revenue growth that continues to support underlying economic expansion.

The factors rating agencies describe that could lead to a downgrade include economic or employment weakening, protracted structural budget imbalance, a shift to reliance of one-time budget solutions, and a deterioration of the state’s cash position.

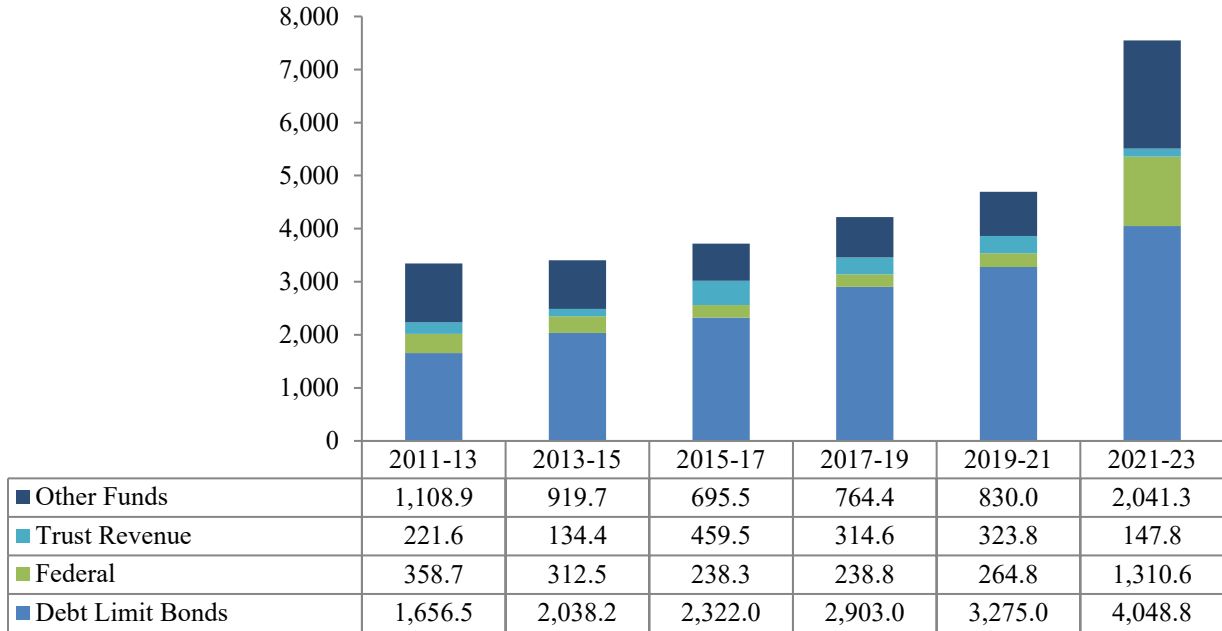
Capital Budget Funding Sources



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

History of Capital Budget Appropriations by Fund Source

(Dollars in Millions)



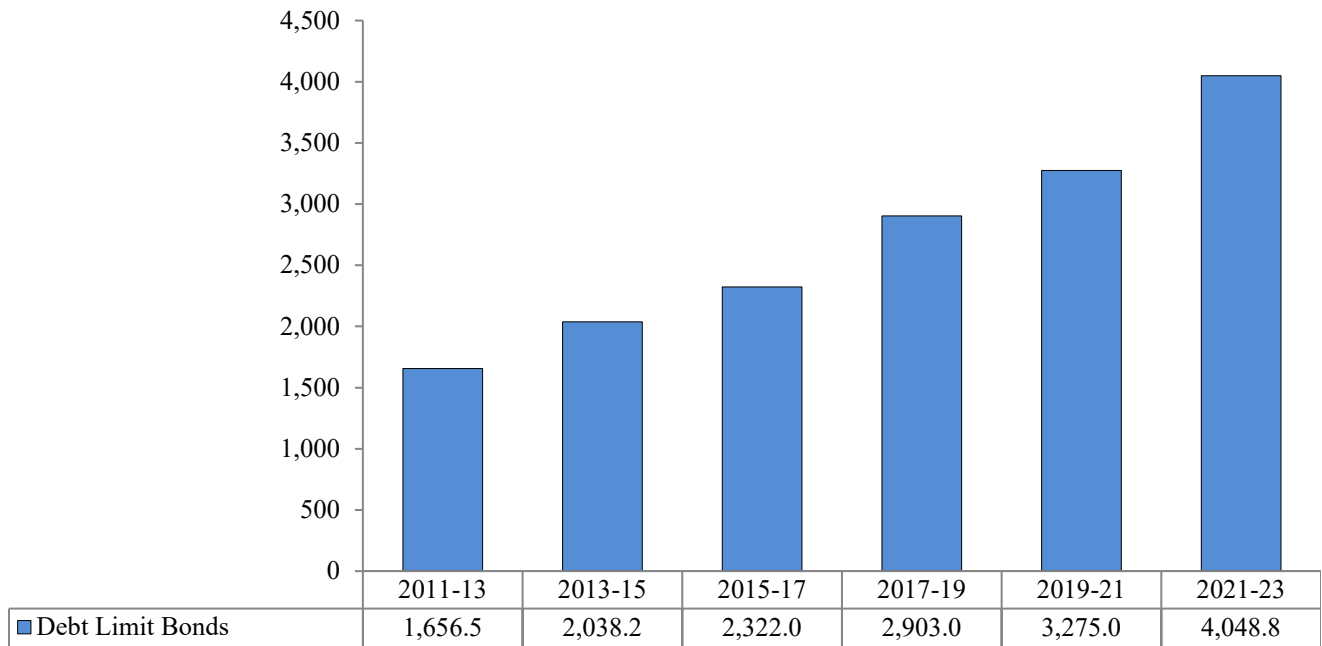
Source: Legislative Evaluation and Accountability Program Committee (LEAP) and Office of Program Research, December 2022.

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

General Obligation Bonds

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

**State Bonds Subject to the Debt Limit
Historical Capital Budget Appropriations**
(Dollars in Millions)

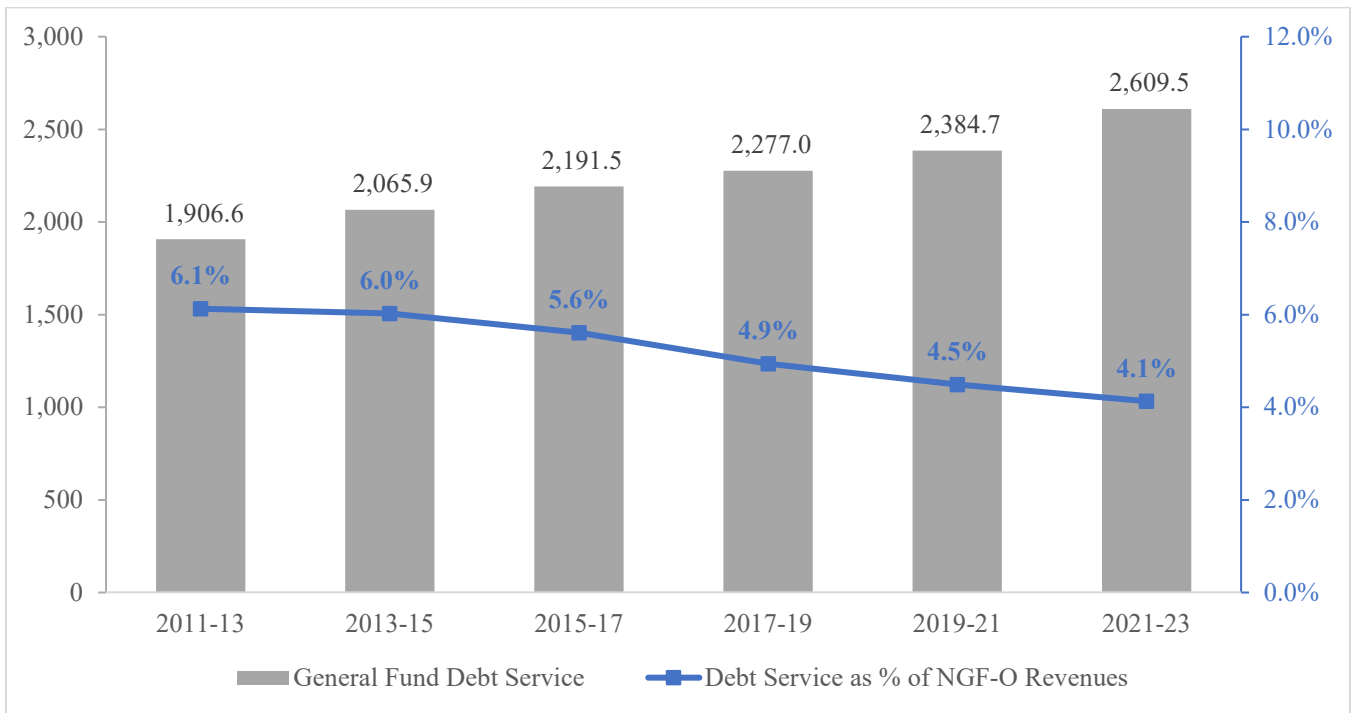


Source: Legislative Evaluation and Accountability Program Committee, December 2022

Funding to pay for principal and interest on the bonds is appropriated from the State General Fund in the operating budget. When debt service payments are due, the State Treasurer withdraws the amounts necessary to make the payments from the State General Fund and deposits them into bond retirement funds. State General Fund debt service payments in the 2021-23 biennium are projected to be \$2.6 billion.

General Fund Debt Service as a Percent of Near State General Fund Revenues

(Dollars in Millions)



Source: Revenues include State General Fund revenues plus the Education Legacy Trust, the Opportunity Pathways account, and the Workforce Education and Investment accounts. Historical data and forecasts are reported on a cash basis by the Economic and Revenue Forecast Council (ERFC). 2021-23 amounts are estimates based on the September 2022 ERFC forecast.

Trust Revenues

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

The DNR manages about three million acres for state trust beneficiaries, of which approximately 617,300 acres is state forest lands, beneficiaries of which include counties and their taxing districts. State trust lands generate timber, mineral, and lease revenue, which is appropriated through the capital budget.

Trust Land Endowment

(By Trust)

Trust	2022 Acreage	Percent of Total
Common School	1,781,425	60.4%
State Forest Lands (formerly called Forest Board Lands)	618,518	21.0%
Washington State University (Agriculture and Scientific Trusts)	155,400	5.3%
State Capitol Building	109,492	3.7%
University of Washington	89,056	3.0%
Charitable, Educational, Penal and Reformatory Institutions	71,780	2.4%
Normal School (Central WA University, Western WA University, The Evergreen State College, Eastern WA University)	66,799	2.3%
Community Forest Trust	52,217	1.8%
King County Water Pollution Control Division	5,960	0.2%
Community & Technical Colleges (since 1990)	1,168	<0.1%
TOTAL	2,951,815	

Source: Department of Natural Resources, October 2022.

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

Federal Funds

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

- Military Department's readiness centers;
- Department of Veterans Affairs' veterans homes;
- Clean Water and Drinking Water State Revolving Funds managed by the Department of Ecology and the Department of Health;
- construction of kindergarten through 12th grade school facilities through the Office of the Superintendent of Public Instruction; and
- Salmon Recovery Funding Board grants through the Recreation and Conservation Office.

The United States Congress passed two bills that resulted in increased federal funding in the 2021-23 Capital Budget.

1. **The American Rescue Plan Act** passed in March 2021 and included the Coronavirus State Fiscal Recovery Fund (CSFRF) and the Coronavirus Capital Projects Fund (CPF). The CSFRF was allocated to state governments to respond to the public health emergency or its negative economic impacts and to make necessary investments in water, sewer, or broadband infrastructure. Of the \$4.4 billion in CSFRF received by Washington, \$400 million was appropriated in the capital budget. Washington received \$195.75 million of the CPF "to carry out critical capital projects directly enabling work, education and health monitoring, including remote options." The funding was appropriated to Commerce for broadband infrastructure grant and loan programs.
2. **The Infrastructure Investment and Jobs (IIJA) Act** passed in November 2021 and included additional federal investments in transportation, water, energy, broadband, and other infrastructure. As a result, the 2022 Supplemental Capital Budget included \$326 million in federal IIJA appropriations.

Other Funds

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

- Public Works Assistance Account;
- Model Toxic Control Accounts;
- Water Pollution Control Revolving Account;
- Underground Storage Tank Revolving Account;
- Non-Highway and Off-Road Vehicle Activities Account;
- Recreation Resources Account;
- Thurston County Capital Facilities Account;
- Public Facility Construction Loan Revolving Account; and
- Building fee portion of student tuition payments.

The 2021-23 Capital Budget included \$650 million from a State General Fund deposit into the Capital Community Assistance Account and the new Apple Health and Homes Account created in Engrossed Substitute House Bill 1866 (2022).

Alternative Financing Contracts

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

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

Certificates of Participation (COP)

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

COPs are securities sold to investors, similarly to bonds, to facilitate lease/purchase agreements. In this type of financing, the state leases property to a designated entity (without transferring ownership), and then makes semi-annual payments to lease the property back over the life of the financing. A third-party trustee (usually a bank) administers payments between the agency and COP holders. The term of each individual lease is set in relation to the useful life of the asset being financed. The individual leases are pooled with other leases and packaged together in the form of a larger COP transaction, which is sold to

investors. COPs are generally issued with a final maturity of up to 25 years for real estate projects and up to 10 years for equipment purchases. The state's COPs are rated Aa1 by Moody's Investor Service, one notch below the state's general obligation bonds.

63-20 Lease Revenue Bonds

On occasion, the state uses another financing mechanism known as a 63-20 financing (based on IRS Revenue Ruling 63-20). Under a 63-20 financing, a single-purpose nonprofit corporation issues tax exempt lease revenue bonds on behalf of the state and uses the proceeds to fund the design and construction of a facility. Once the project has been completed, the state leases the facility from the nonprofit and the lease payments are pledged to the repayment of the bonds. The state does not take title to the property until the bonds have been repaid. Borrowing costs and legal fees on these financings can be somewhat higher than those on similarly structured COPs. Additionally, long-term maintenance costs and management expenses are contractually established for the life of the contract, with the state obligated to pay such expenses when due. The State has financed two facilities using 63-20 lease revenue bonds: the Edna Louis Goodrich building in Tumwater (2004), and the 1500 Jefferson building in Olympia (2010).

Financing Contract Background

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

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

- All real estate (land and buildings) acquired by agencies through alternative financing (lease/purchase contracts, COPs, and 63-20 financings) must be authorized by the Legislature.
- The State Finance Committee must approve all financing contracts, including the dollar amount and form of the contracts.
 - State university facilities such as dormitories and dining halls that operate from non-appropriated funding sources do not require legislative approval but must be reported to the State Finance Committee (RCW 28B.10.022).

- All capital financing contracts must include the acquisition of a tangible asset. In some cases, information technology projects can qualify for a COP financing if they adhere to COP guidelines regarding tangible assets, security interests, and transferability of the IT system.
- The State Finance Committee can consolidate existing and new financing contracts into a master contract.

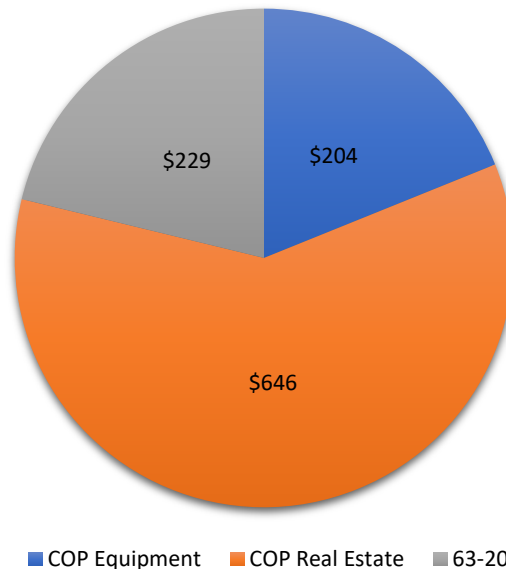
Financing Contracts vs. Bonds

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

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

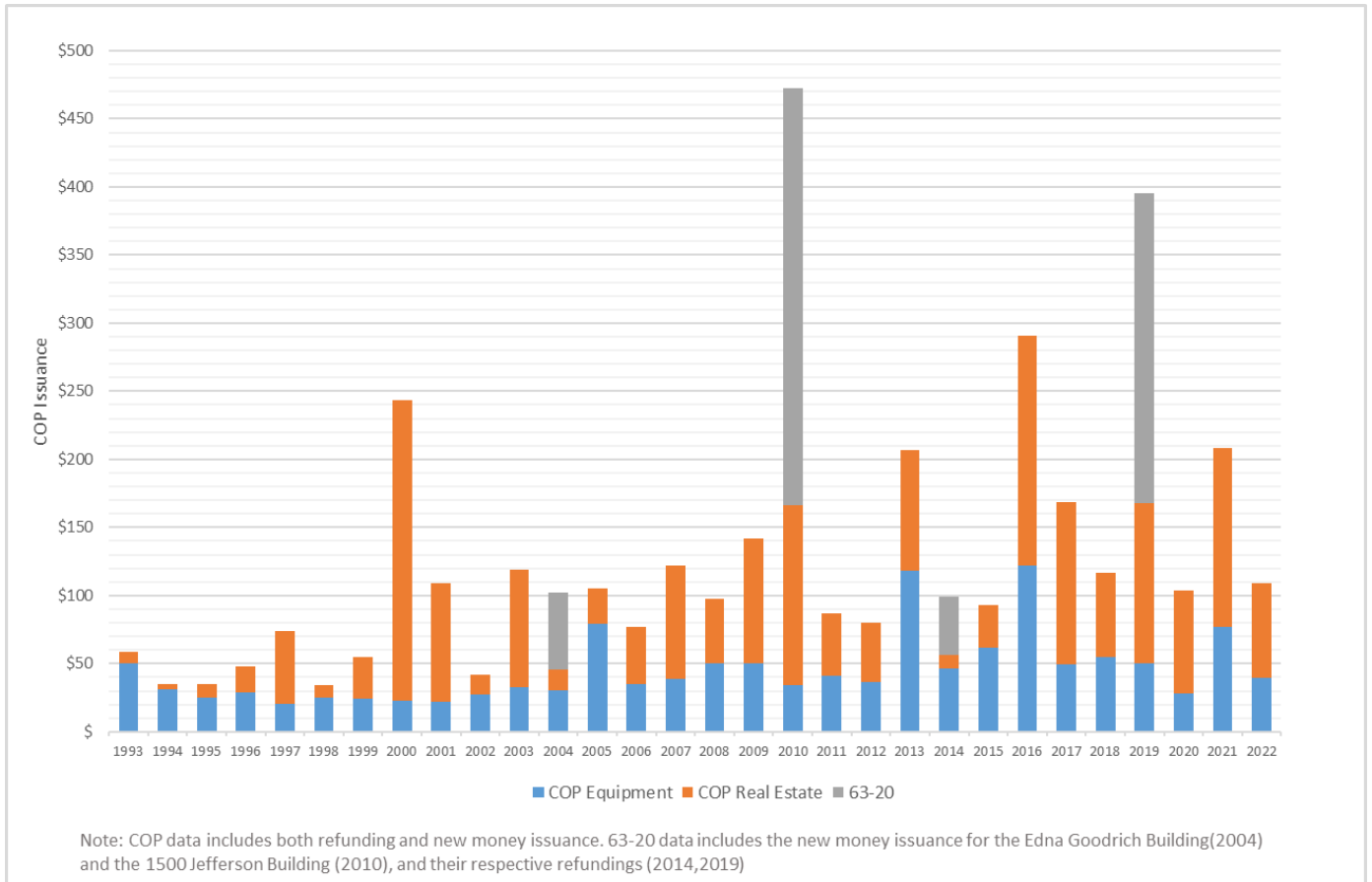
Total Principal Outstanding

(Dollars in Millions)



Source: Office of the State Treasurer, October 2022.

Alternative Financing Contract Issuance History by Fiscal Year (Dollars in Millions)



Source: Office of the State Treasurer, October 2022.

The Functional Areas of State Government

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

Governmental Operations

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

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

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

Human Services

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

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

Natural Resources

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

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

Higher Education

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

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

Education

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

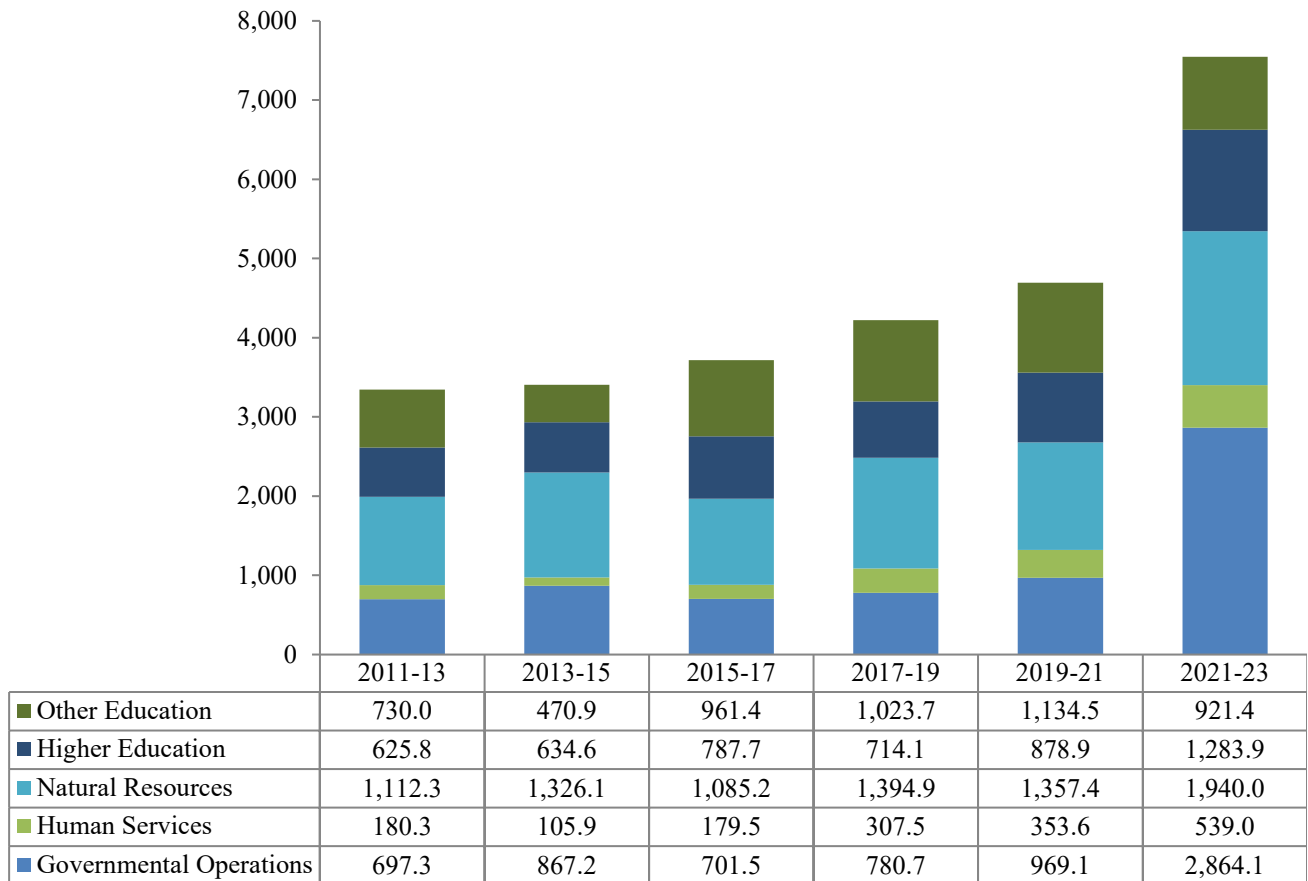
- Office of the Superintendent of Public Instruction;
- State School for the Blind;
- Center for Deaf and Hard of Hearing Youth;

- Washington State Historical Society; and
- Eastern Washington State Historical Society.

Capital Budget Functional Area History

Total Appropriations

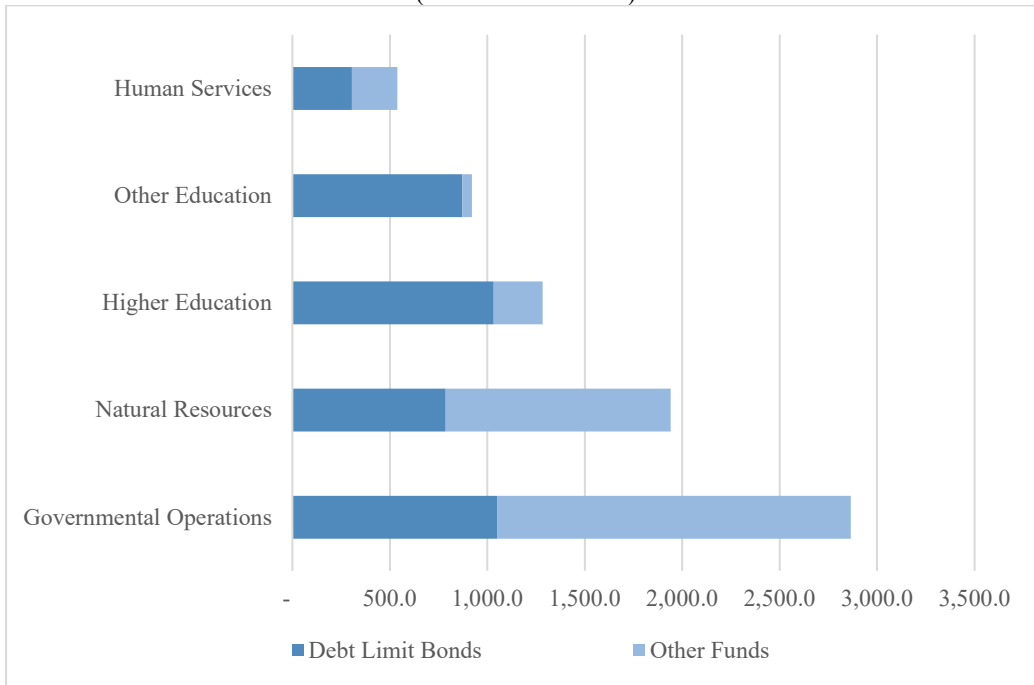
(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

2021-23 Capital Budget Functional Area Funding By Funding Source

(Dollars in Millions)



	Debt Limit Bonds	Other Funds	Total Appropriated
Governmental Operations	1,052.0	1,812.2	2,864.1
Human Services	785.9	1,154.1	1,940.0
Natural Resources	1,033.1	250.8	1,283.9
Higher Education	872.3	49.2	921.4
Other Education	305.6	233.4	539.0
Total	4,048.8	3,499.7	7,551.9

Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Governmental Operations

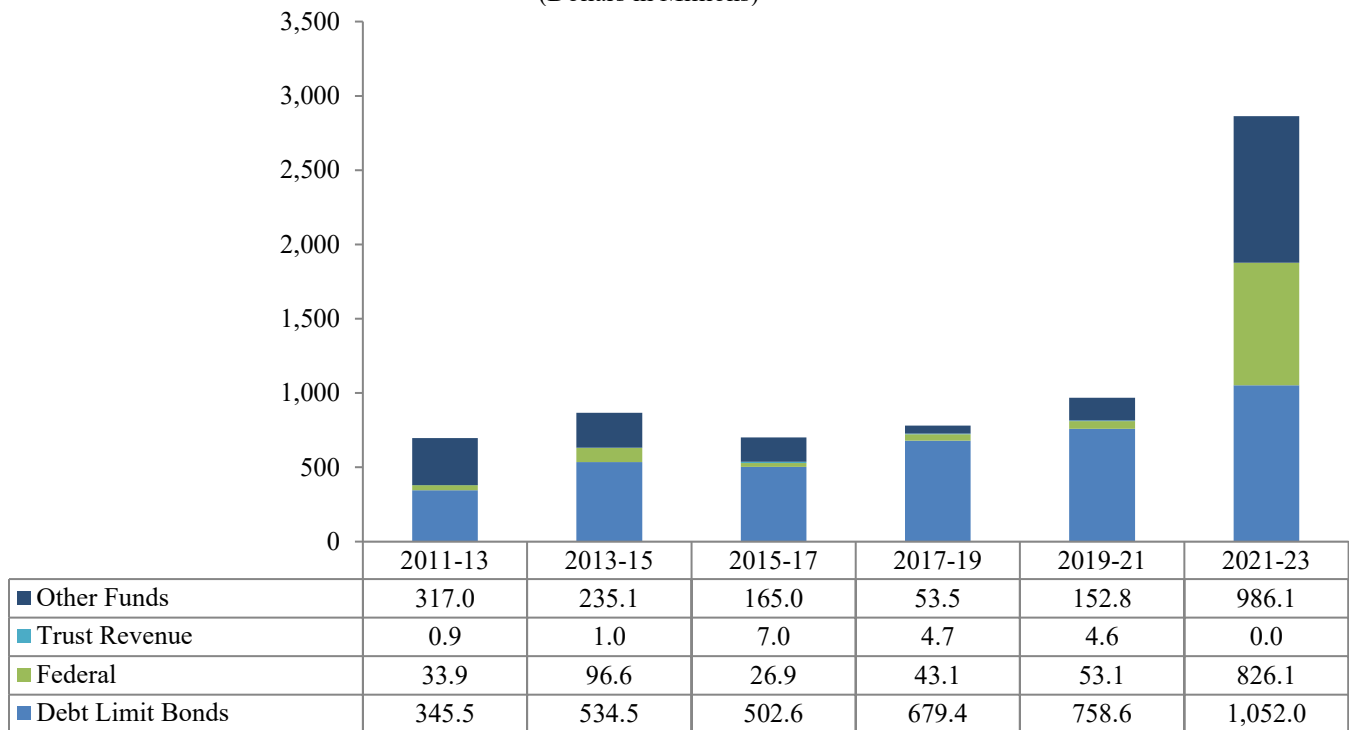


*The Insurance Building houses Office of Financial Management staff.
(Photo Credit: Legislative Support Services)*

Overview of Governmental Operations

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

Governmental Operations
Capital Budget Appropriations by Fund Source
 (Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Department of Commerce

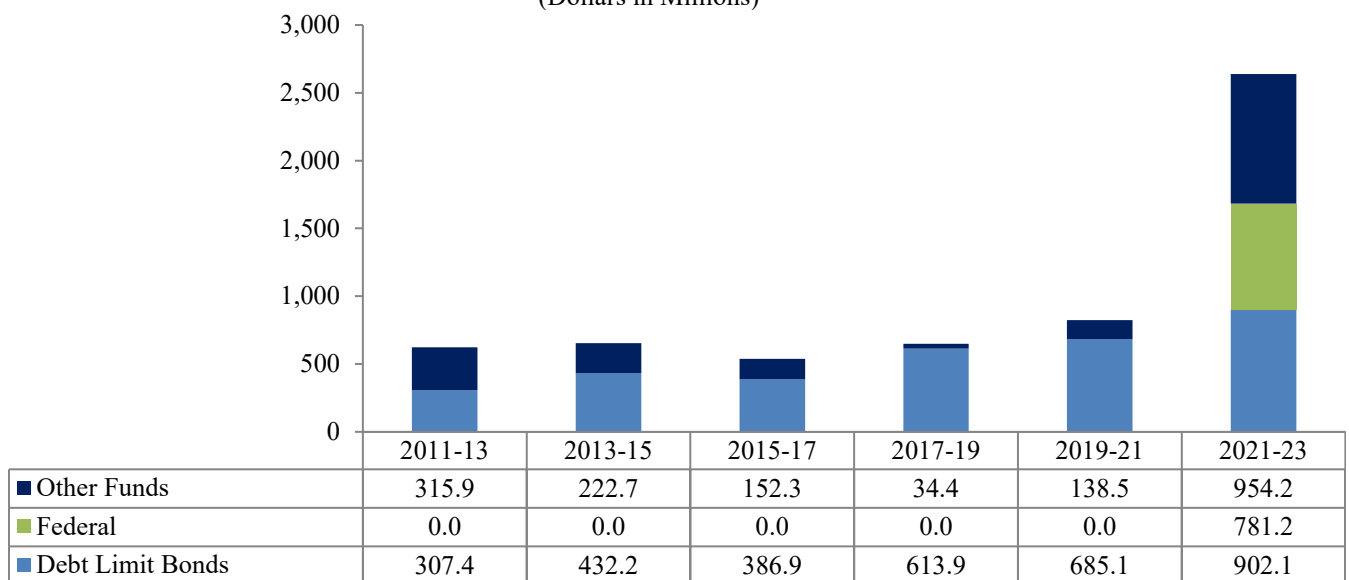
Agency Description: The stated mission of the Department of Commerce (Commerce) is "to strengthen communities in Washington." Commerce administers a diverse set of programs that provide financial and technical assistance to local governments, tribes, community-based organizations, and businesses statewide.

Facilities: Commerce does not own any buildings, but leases 296,100 square feet in 5 office buildings around the state, including the Pacific Tower in Seattle (205,400 square feet) and their headquarters building in Olympia (71,100 square feet).

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

2021-23 Biennium: Commerce was appropriated \$632 million from an operating budget State General Fund deposit into the Capital Community Assistance Account and the Apple Health and Homes Account; over two-thirds was for affordable housing. A large portion of the additional federal funds appropriated in the 2021-23 biennium went to Commerce. For more information on the federal funding, see the Capital Budget Funding Sources section.

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



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Major Capital Programs Administered by the Department of Commerce

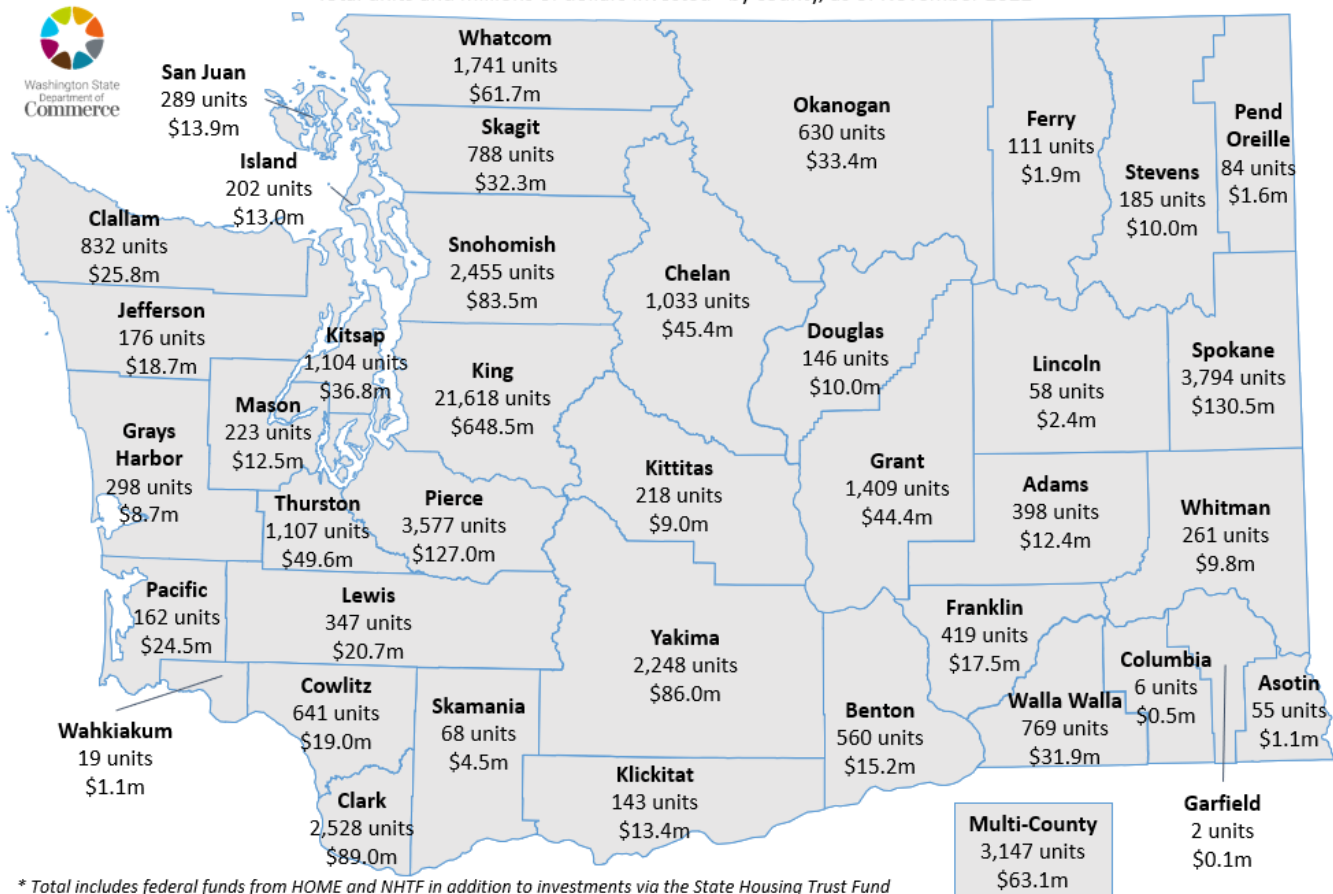
Housing Trust Fund Program

Established by the Legislature in 1986 (RCW 43.185 and 43.185A), the Housing Trust Fund (HTF) program provides loans and grants for construction, acquisition, and rehabilitation of low-income multi-family and single-family housing. By law, housing units financed by HTF may only serve people whose incomes are below 80 percent of the area’s median income. At least 30 percent of the competitive HTF funds must benefit projects in rural communities.

As depicted below, since the first appropriation in 1989, HTF has invested over \$1.8 billion in 53,851 housing units statewide for people with low-incomes, persons with special needs, farm workers, homeless individuals and families, seniors, and other target populations. An HTF award to a project typically leverages additional dollars and tax credits from private banks, developers, federal, and local public sources.

Housing Trust Fund Investments Since 1989 by County

Total units and millions of dollars invested* by county, as of November 2022



* Total includes federal funds from HOME and NHTF in addition to investments via the State Housing Trust Fund. The portfolio includes more than 35 years of applications and contracts and this presentation may have a small margin of error. Contact Commerce with any questions or comments relating to this data.

Source: Department of Commerce Contracts Management System, October 2020.

Broadband Infrastructure Funding Programs

The Statewide Broadband Office (SBO) was established in 2019 to "encourage, foster, develop, and improve affordable, quality broadband within the state." In the 2021-23 biennium, the capital budget authorized the SBO to administer grants for broadband infrastructure projects. In addition to the SBO, the Public Works Board (PWB) and the Community Economic Revitalization Board (CERB) distribute competitive funds for broadband infrastructure.

Beginning in 2020, several new federal broadband funding programs were established in response to the COVID-19 pandemic. These federal broadband fund sources for infrastructure include the:

- Coronavirus Capital Projects (CCP) Fund: grants for investment in high-quality broadband infrastructure and other connectivity infrastructure, devices, and equipment. The 2021-23 Capital Budget appropriated CCP authority for broadband infrastructure as follows:
 - CERB: \$25 million
 - the PWB: \$46 million
 - the SBO: \$124.7 million
- Coronavirus State and Local Fiscal Recovery Funds: funds to state and local governments for addressing and recovering from the pandemic, including through investment in water, sewer, and broadband infrastructure.
 - The 2021-23 Capital Budget appropriated Coronavirus State Fiscal Recovery Funds for broadband infrastructure as follows:
 - the SBO: \$150.9 million
- Infrastructure Investment and Jobs Act (IIJA): funds for various types of infrastructure, including broadband.
 - The 2021-23 Capital Budget allocated IIJA broadband expenditure authority to three broadband infrastructure funding programs as follows:
 - CERB Rural Broadband Program: \$25 million
 - the PWB Broadband: \$25 million
 - the SBO: \$50 million

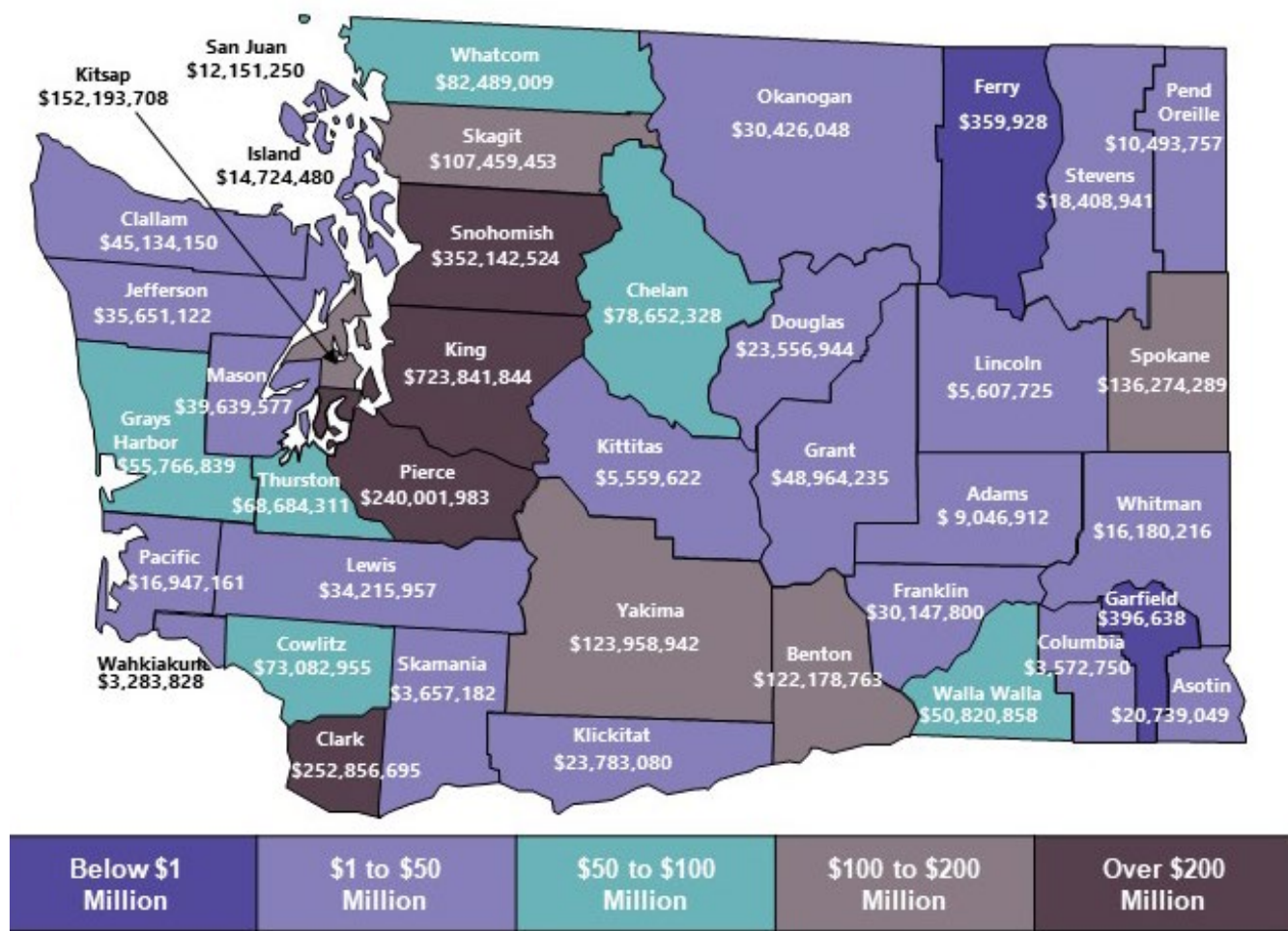
In addition to the federal funds described above, the SBO received \$50 million from the State Building Construction Account to award as grants to match federal broadband funding opportunities. The 2021-23 Capital Budget authorized a total of \$376 million for the SBO to administer grants for broadband infrastructure projects.

Public Works Assistance Account Traditional Programs

The Public Works Assistance Account (PWAA) and the PWB were established in RCW 43.155 (1985) "to encourage self-reliance by local governments in meeting their public works needs and to assist in the financing of critical public works projects."

Generally, the PWAA Traditional Programs fund low interest loans to cities, towns, counties, special purpose districts, and public utility districts. Ports, school districts, and tribes are not eligible applicants for funding. In 2017, the PWB was authorized to run competitive funding cycles and to provide up to 10 percent of appropriated funds as grants in certain circumstances. The loan and grant funds may support construction, pre-construction, emergency projects, and planning for infrastructure systems including domestic water, sanitary sewer, stormwater, roads, bridges, and solid waste/recycling. The PWB cannot obligate moneys until the Legislature appropriates funds. Prior to the 2019-21 biennia, the PWB was required to develop and recommend to the Governor and the Legislature a ranked list of projects for funding by November 1 in even-numbered years. Instead of submitting a ranked list, the PWB has authority to provide loans and grants throughout the biennium, based on statutory criteria. The PWB cannot obligate moneys until the Legislature has appropriated funds. The PWB must report annually regarding the program, including applications received and projects funded. Since 1985, the PWB has funded over 2,024 projects providing more than \$3.16 billion in project funding.

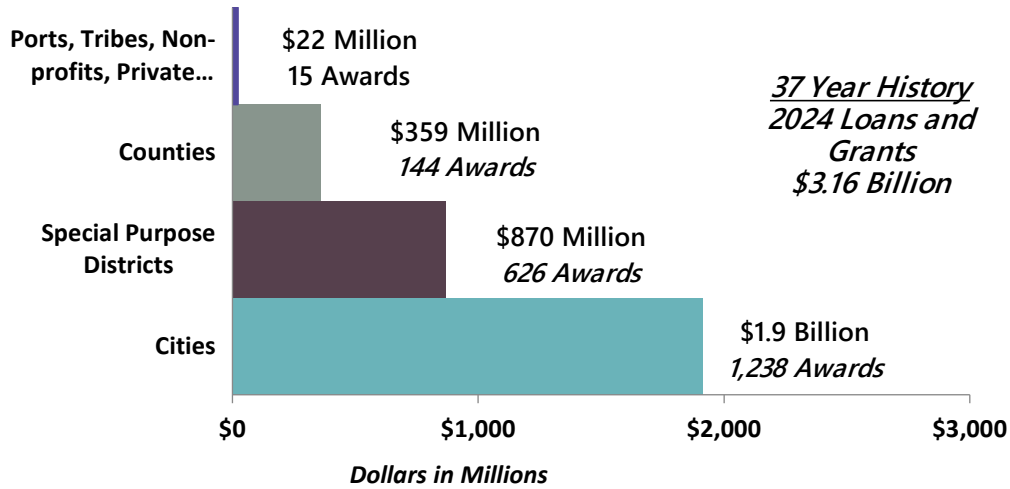
Public Works Assistance Account Investments Since 1985 by County



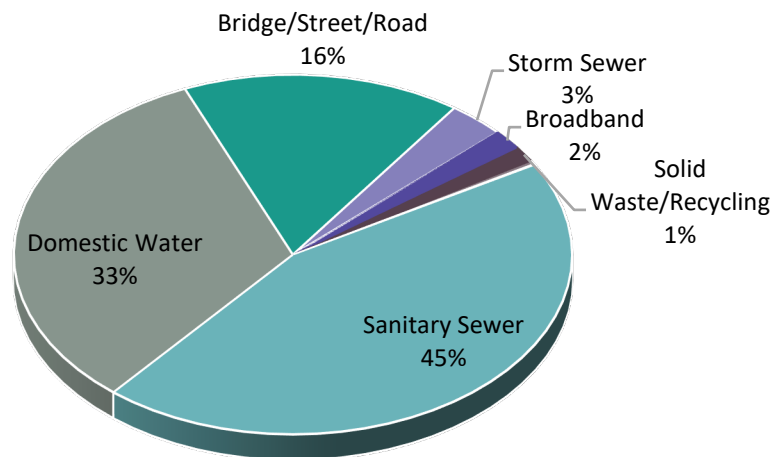
Source: Public Works Board, Department of Commerce, October 2022.

As shown on the following charts, cities have sponsored over 60 percent of the funded projects and amounts loaned. Domestic water and sanitary sewer system projects account for about 78 percent of the historical loans funded.

PWAA Loans and Grants By Jurisdiction Type 1985-2022



PWAA Loans and Grants By System Type 1985-2022



Source: Public Works Board, Department of Commerce, October 2022.

Prior to the 2013-15 biennium, the PWAA received deposits of loan repayments and revenues from the following three taxes: (1) 6.1 percent of the Real Estate Excise Tax (REET) imposed on the sale of real property; (2) 20 percent of the Public Utility Tax (PUT) revenues from water utilities and 60 percent of PUT revenues from sewer utilities; and (3) 100 percent of the Solid Waste Collection Tax (SWCT) imposed on garbage utilities.

Over the past five biennia, the Legislature redirected tax revenues from the PWAA to the State General Fund and the Education Legacy Trust Account (ELTA).

In the 2013-15 biennium, the Legislature (1) redirected 4.1 percent of the REET revenues into the ELTA, leaving 2 percent in the PWAA; (2) redirected the PUT revenues into the ELTA; and (3) suspended the deposit of the SWCT revenues into the PWAA. The taxes have been redirected statutorily from the PWAA through June 30, 2023.

In the 2019-21 biennium, Engrossed Substitute Senate Bill 5998 restructured the REET and, beginning January 1, 2020, redirected 4.4 percent of the historical PWAA REET revenues into the State General Fund and the ELTA, leaving 1.7 percent in the PWAA until June 30, 2023. Beginning July 1, 2023, 5.2 percent of the REET revenues must be deposited into the PWAA.

Additionally, the Legislature has transferred funds from the PWAA to operating and transportation budget accounts, including \$160 million transferred from the PWAA to the ELTA in both the 2019-21 and 2021-23 biennia. In the 2021-23 biennium, the Legislature authorized recurring annual transfers of \$57 million from the PWAA to the Move Ahead WA Account for transportation-related uses in fiscal years 2024-2038.

Historically, PWAA funding has been transferred from the PWAA to the Drinking Water State Revolving Account and the Water Pollution Control Revolving Account to satisfy the state match requirements for the federal funds received in those programs. As a result of increased federal funding provided in the IJA, these state match requirements will continue to grow in future biennium.

2023-25 Estimated Revenue to PWAA

PWAA Revenue Source	2023-25 Biennium Estimate (Dollars in Thousands)
Loan Repayments	\$161,551
Deposit of REET Revenue	\$162,010
Deposit of PUT Revenue	\$51,629
Deposit of SWCT Revenue	\$137,470
Estimated total	\$512,660

Source: Economic and Revenue Forecast Council, September 2022. Loan repayment estimates provided by Commerce.

PWB Broadband

In 2019, the PWB was authorized to establish a competitive grant and loan program for constructing open access broadband infrastructure and strategic planning for deploying broadband service in unserved areas. Eligible applicants are local governments, tribes, nonprofit organizations, cooperative associations, multiparty entities comprised of public entity members, limited liability corporations, and incorporated businesses or partnerships. Since the 2019-21 biennium, \$106.55 million has been appropriated in the capital budget to the PWB administered broadband program through the Statewide Broadband Account created in RCW 43.155.165. Since 2019, the PWB had awarded 32 grants and loans totaling just over \$55 million through the PWB broadband program.

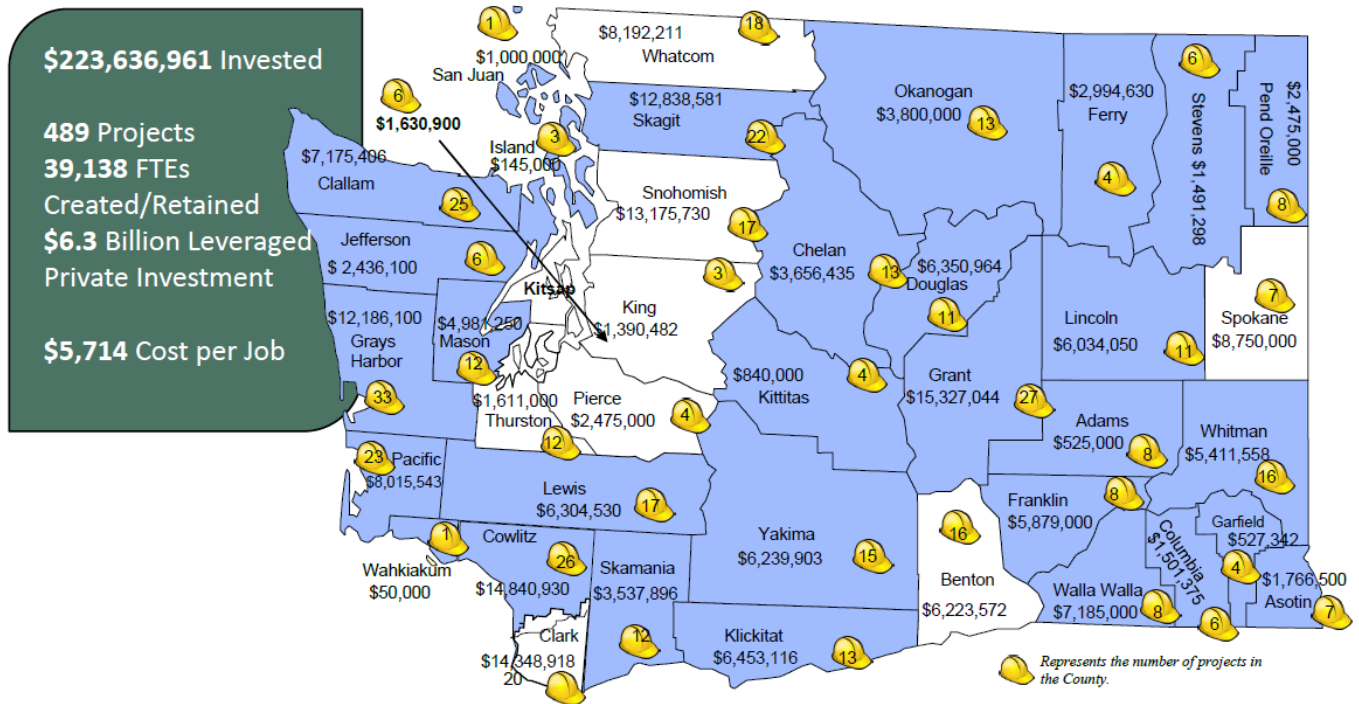
Community Economic Revitalization Board Program

Under chapter 43.160 RCW, CERB funds the construction, repair, and acquisition of public infrastructure that supports business growth and expansion. Eligible projects include domestic and industrial water, buildings and structures, industrial wastewater treatment and storm water facilities, telecommunications, electricity, natural gas, port facilities, and transportation. Eligible applicants are cities and towns, counties, federally recognized tribes, municipal and quasi-municipal corporations, port districts, and special purpose districts.

CERB administers three core financing programs: (1) Committed Private Partner Construction, which requires evidence that a private development or expansion is ready to occur, contingent on approval of CERB funding; (2) Prospective Development Construction, which requires evidence that a private development or expansion is likely to occur as a result of the public improvements; and (3) Planning Studies which evaluate high-priority economic development and broadband projects.

Since its creation in 1982, the CERB program has provided approximately \$223.6 million in loans and grants to communities statewide.

Core CERB Investments 1982 - 2022



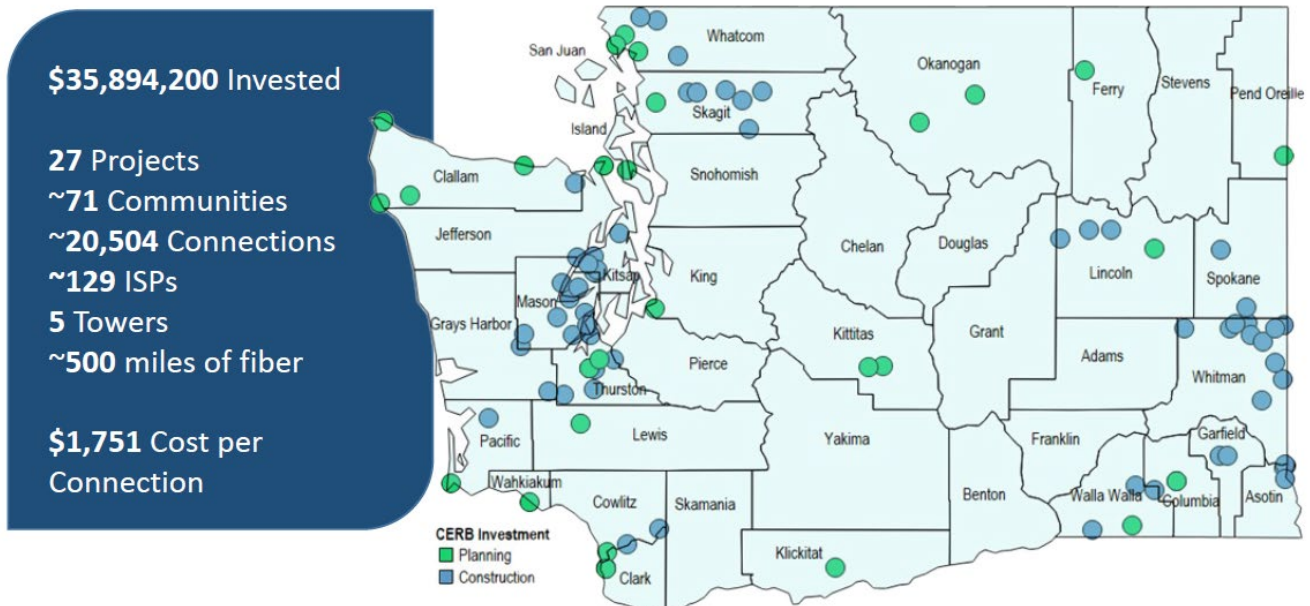
Source: Community Economic Revitalization Board, Department of Commerce, October 2022.

Note: Counties in blue are rural, as defined in RCW 43.160.020, and counties in white are urban.

The 20-member board (Board) includes representatives of local governments, tribes, stakeholders, the private sector, the Legislature, and state agencies. The Board establishes rules, sets policies, and selects projects to receive CERB financing. Funding for core CERB administered programs are primarily appropriated from the Public Facilities Construction Loan Revolving Account. The Board is required by law to approve at least 75 percent of the first \$20 million, and at least 50 percent of any additional funds available in a given biennium, to projects in rural counties. In prior biennia, the Legislature has also appropriated funds through CERB for non-traditional local projects such as port- and export-related infrastructure, technical assistance, and innovation grants.

Since the 2017-19 biennium, \$63.45 million has been provided for the CERB administered rural broadband infrastructure program. The purpose is for CERB to make grants and loans to local governments and federally recognized tribes to build infrastructure to provide high-speed, open-access broadband service in rural and underserved communities. Since 2018, CERB has funded approximately \$35.8 million in broadband loans and grants to communities statewide.

CERB Rural Broadband Investments 2018-2022



Source: Community Economic Revitalization Board, Department of Commerce, October 2022

Energy Programs

The Department of Commerce administers multiple competitive grant programs related to energy efficiency and investments in clean energy technology. These programs are intended to improve facilities, resulting in energy and operational cost savings as well as job creation. The Clean Energy Funds Program (CEFT) is a state-match grant program that is used to leverage funds, from businesses, utilities, and research institutions, to support clean energy projects including grid modernization and storage, energy efficiency and renewable energy projects, and electrification charging infrastructure.

Within the most recent Clean Energy Funds appropriation in the 2021-23 Capital Budget, funds were provided for:

- grid modernization grants (\$17.59 million);
- strategic research and development for new and emerging clean energy technologies (\$10.8 million);
- grants to non-profit lenders to create a revolving loan fund for energy efficiency and renewable energy technologies for households (\$2.5 million);
- grants to demonstrate innovative approaches to electrification of transportation systems (\$5.5 million);
- building electrification projects (\$10 million);
- maritime electrification grants (\$4.9 million);
- rural clean energy innovation projects (\$4.9 million);

- aluminum smelter restart project (\$10 million); and
- large scale solar manufacturing facility siting (\$10 million).

The Energy Retrofits for Public Buildings Grant Program provides funding to public agencies to improve building energy performance and reduce operating costs along with greenhouse gas emissions. The Weatherization Plus Health Program provides low-income households with home repairs, health and safety improvements, and the installation of energy efficiency measures. The 2021-23 Capital Budget appropriated \$9.9 million for the Energy Retrofits for Public Buildings Program and \$89.8 million for the Weatherization Plus Health Program, including \$69.8 from the Infrastructure Investment and Jobs Act (IIJA). IIJA also created the Energy Efficiency Revolving Loan Capitalization Program to fund loans and grants for energy efficiency audits, upgrades, and retrofits; the 2022 Supplemental appropriated \$1.9 million for this new federal program.

The 2021-23 Operating Budget included the following clean energy-related appropriations to Commerce that are either explicitly for infrastructure or may be used for infrastructure purposes:

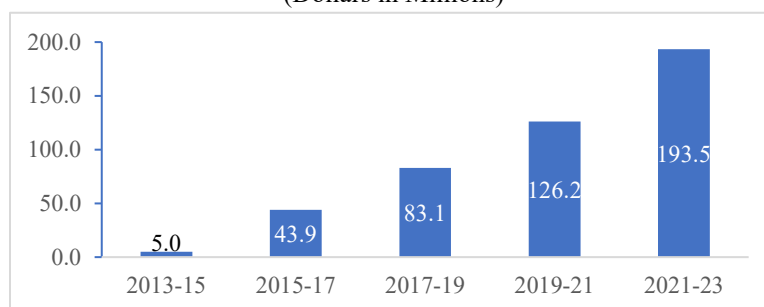
- Electric vehicle community charging grants (\$69 million).
- Community solar grants (\$20 million).
- Community solar resilience hubs grants (\$37 million).
- Industrial waste symbiosis grants (\$776,000).
- Energy Efficiency Block Grant (\$3.08 million IIJA authority). Allowable uses for these federal funds include developing strategies; conducting energy audits and energy retrofits; among others.

Community Behavioral Health Beds

The capital budget provided funding for Commerce, in collaboration with the Department of Social and Health Services and the Health Care Authority, to administer grants for hospitals and other entities to establish or build new mental health units or services. Additionally, funding was provided for grants for hospitals or other entities for the development of facilities that provide for the diversion or transition of patients from the state hospital. The chart below displays the capital budget appropriations for community behavioral health beds since the funding began in 2013-15.

Community Behavioral Health Bed Funding History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Local Community Competitive Grant Programs

Through the statutory Building for the Arts, Building Communities Fund, and Youth Recreational Facilities programs, the Legislature appropriates competitive grant funding for projects benefitting local communities. Commerce conducts a separate competitive process for each program and uses expert advisory committees to evaluate and recommend projects for funding. Commerce must include a ranked list in the agency capital budget request. The Governor may include the list in the proposed capital budget bill. The Legislature has final approval of the list and the total budget. The following matrix provides information on the purposes, eligibility, funding, and advisory committees associated with these three competitive grant programs:

	Building for the Arts (RCW 43.63A.750)	Building Communities Fund (RCW 43.63A.125)	Youth Recreational Facilities (RCW 43.63A.135)
Program Purpose	Defrays up to 33.33 percent of eligible capital costs for acquisition, construction and/or major renovation of arts capital facilities. The 2020 Supplemental Budget increased the percentage from 20 to 33.33 percent.	Defrays up to 25 percent or more of eligible capital costs to acquire, construct, or rehabilitate nonresidential community and social service centers. The 2022 Supplemental changed the match requirements for projects under \$500,000 and for those that meet the definition of exceptional circumstances.	Defrays up to 25 percent of eligible capital costs for acquisition, construction, and/or major renovation of capital facilities for non-residential youth recreation that includes a supporting social service or educational component.
Eligible Applicants	501 (c) 3 nonprofit performing arts, art museums and cultural organizations.	Nonprofit community-based organizations located in distressed communities or serving a substantial number of low-income or disadvantaged persons.	501 (c) 3 nonprofit organizations and local governments.
Grant Cycle	Biennial.	Biennial.	Biennial.
2021-23 Appropriation	\$16 million.	\$30.1 million.	\$3.7 million.

	Building for the Arts (RCW 43.63A.750)	Building Communities Fund (RCW 43.63A.125)	Youth Recreational Facilities (RCW 43.63A.135)
Maximum List Size	Increased from \$16 to \$18 million in Chapter 121, Laws of 2022 (House Bill 1647).	No maximum.	\$8 million.
Maximum Amount per Project	\$2 million.	Commerce does not set a maximum.	\$1.2 million.
Advisory Committee	Art facilities experts.	Social services experts.	Youth facilities experts.

Local and Community Projects and Lending of Credit

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

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

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

The review process and other state requirements for the statutory grant programs significantly reduce the risk of lending credit violations. Under the programs’ processes and requirements: (1) an application process, including a competitive process where applicable, means the public benefit is clearly defined and highly ranked; (2) the financing is secured and the state grant is generally 25 percent or less of total project financing; (3) the project is well underway and will be completed in a short timeframe, meaning

the facility can start providing the public services/benefits soon; (4) the project or a phase of the project will be usable to the public for its intended purpose once the state funds are expended; and (5) the nonprofit organization or local government has entered into a contract to ensure the facility will be used for its intended purpose for a sufficient period of time in the future to justify the state investment in the project.

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

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

Department of Enterprise Services

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

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

Facilities:

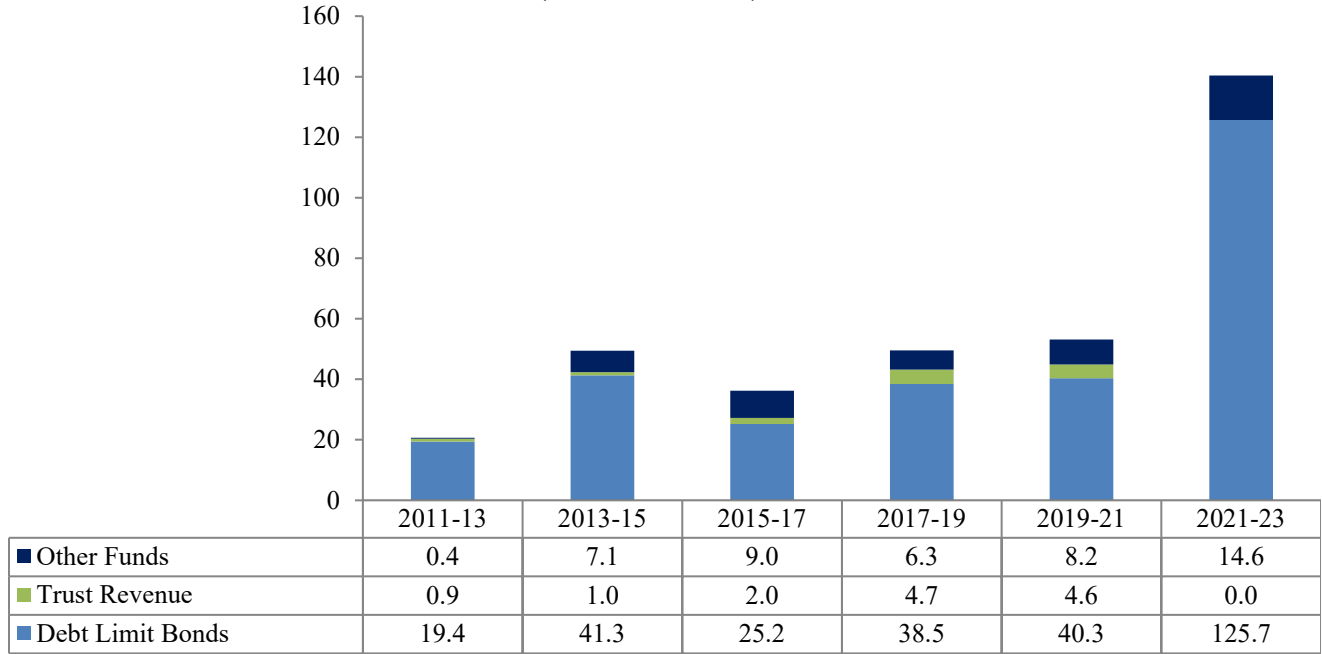
- Owned: 49 (4.6 million square feet)
 - 21 on West Capitol Campus (Olympia, 1.4 million square feet)
 - 6 on East Capitol Campus (Olympia, 1.2 million square feet)
 - 5 parking facilities on campus (Olympia, 1.5 million square feet)
 - 17 off campus (Olympia, Tumwater, Kelso, Seattle, and Yakima, 460,700 square feet)
- Leased: 5 (332,700 square feet)
 - Edna Goodrich Building (DOC and DOT, Tumwater, 218,100 square feet)
 - Surplus Operations (Tumwater, 56,600 square feet)
 - Consolidated Mail Services (Olympia, 43,300 square feet)
 - Fleet Operations (Olympia, 13,300 square feet)
 - Employee Assistance Program (Olympia, 2,800 square feet)

Recent Major Project: Legislative Campus Modernization

- *Funding:* \$79.4 million was newly appropriated and \$9.9 million was reappropriated in the 2021-23 Capital Budget.
- *Description:* The Legislative Campus Modernization project funds the design and construction for a replacement of the Newhouse building, the design of a renovation and addition for the Pritchard building, and global project costs such as a modular building.
- *Looking Ahead:* The 2022 Supplemental Capital Budget anticipated future project costs for the construction of Pritchard and inflationary increases in the Newhouse and global budgets.

Department of Enterprise Services Capital Budget Appropriations History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Office of Financial Management

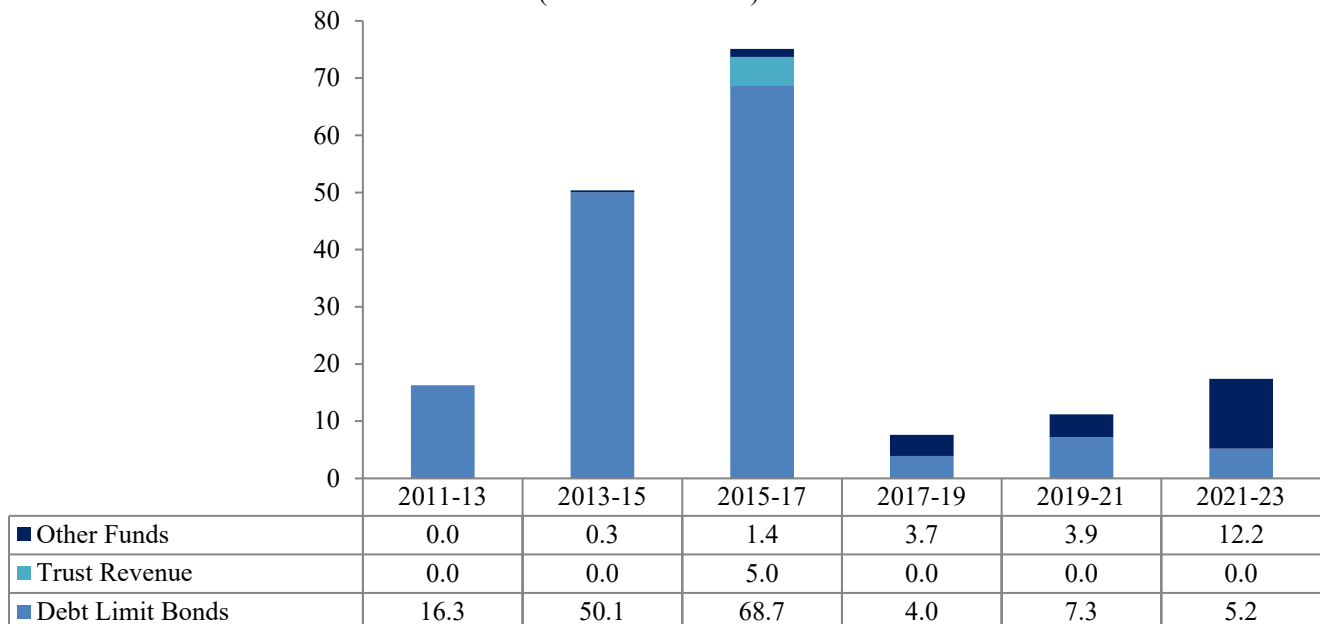
Agency Description: The Office of Financial Management (OFM) typically engages in the following capital budget related activities:

- The OFM develops capital budget proposals from agency requests for submission to the Legislature by the Governor (both for the upcoming biennium and a 10-year capital plan);
- The OFM administers the adopted capital budget and oversees agency capital planning, spending, projects, and decisions;
- The OFM analyzes agency space needs through facilities oversight;
- The OFM participates in the scoring and ranking of higher education capital requests; and
- The OFM reviews and approves agency requests for emergency repair funding to address unexpected building or grounds failures.

Facilities: The OFM is headquartered in the Insurance Building located on the Capitol Campus, which is owned and managed by the Department of Enterprise Services. In addition, the OFM occupies close to 35,000 square feet of leased space in three office buildings.

Office of Financial Management Capital Budget Appropriations History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022. The 2011-17 data includes appropriations for catastrophic flood relief in the Chehalis Basin.

Military Department

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

Facilities:

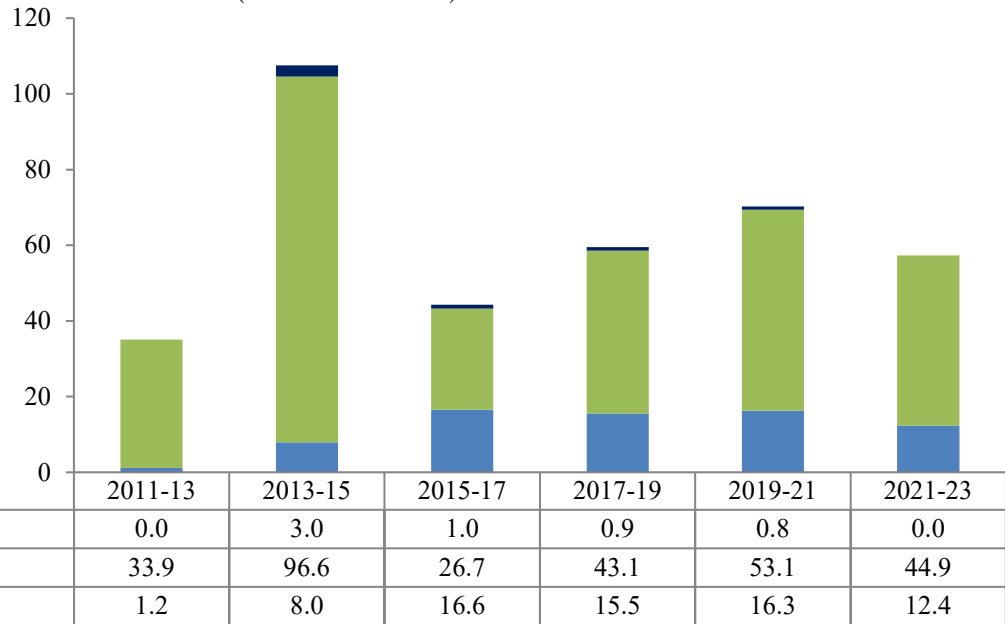
- Owned: 199 (1.6 million square feet)
 - 102 at Camp Murray (Tacoma, 757,100 square feet)
 - 22 Readiness Centers (Across the state, 605,100 square feet)
 - 75 other operational and storage facilities (Across the state, 234,700 square feet)
- Leased: 113 (1.3 million square feet)
 - 57 at Airfield Bases (Across the state, 550,900 square feet)
 - 15 at Fort Lewis Enclave (Joint Base Lewis McCord, 453,300 square feet)
 - 21 at Yakima Training Center and Airforce Base (Yakima, 202,300 square feet)

Recent Major Project: Snohomish Readiness Center (30000930)

- *Funding:* \$5.9 million was appropriated in the 2021-23 Capital Budget.
- *Description:* The Snohomish Readiness Center is a 1955 facility that is heavily used during state emergencies. This project will renovate the kitchen, restrooms, showers, administration offices, platoon rooms, and storage areas to modernize and expand the facility.
- *Update as of Fall 2022:* Design is complete, construction estimates are over-budget. The Department is requesting additional funding in the 23-25 biennium. Project is on hold until additional funding can be secured.

Military Department Capital Budget Appropriations History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

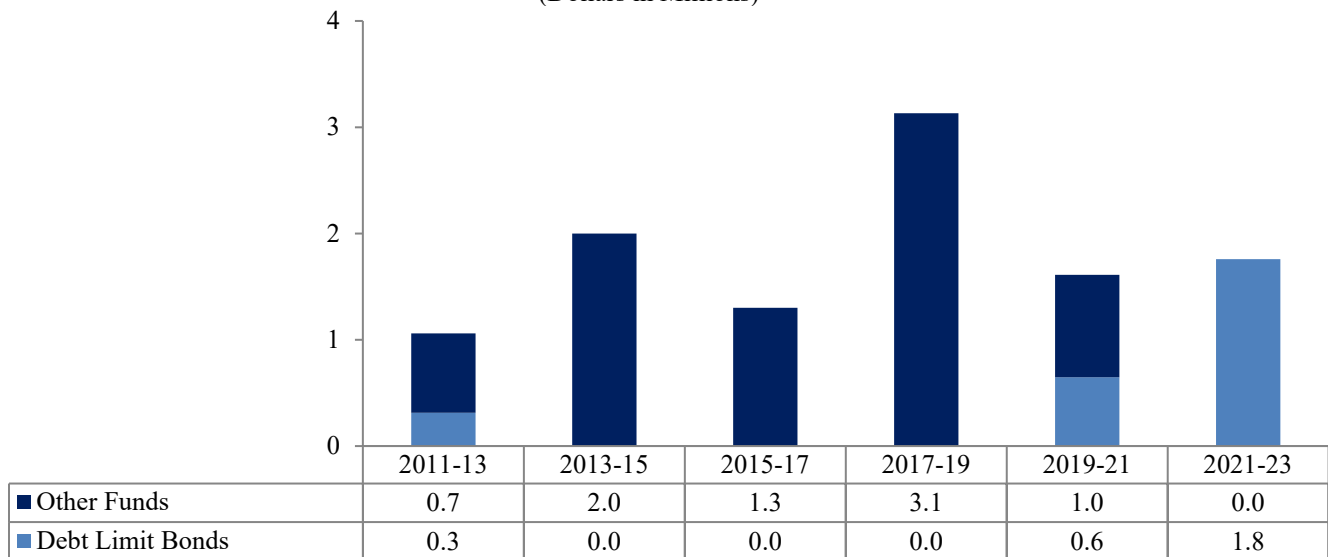
Washington State Patrol

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

Facilities:

- Owned: 151 (594,800 square feet)
 - 8 Crime Lab facilities (Crime labs in Tacoma, Cheney, Kennewick, Vancouver, Marysville, and firing ranges in Seattle, Tacoma and Cheney, 83,300 square feet)
 - 21 facilities at the Fire Training Academy (North Bend, 70,200 square feet)
 - 16 facilities at the State Patrol Academy (Shelton, 61,800 square feet)
 - 78 Highway Facilities (Across the state, including weight stations, public restrooms, vehicle inspection locations, and storage, 184,100 square feet)
 - 28 District Headquarters and Detachments (Across the state, 195,400 square feet)
- Leased: 13 (92,700 square feet), including one Crime Lab (Seattle, 56,000 square feet)

**Washington State Patrol
Capital Budget Appropriations History**
(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Department of Archaeology and Historic Preservation

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

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

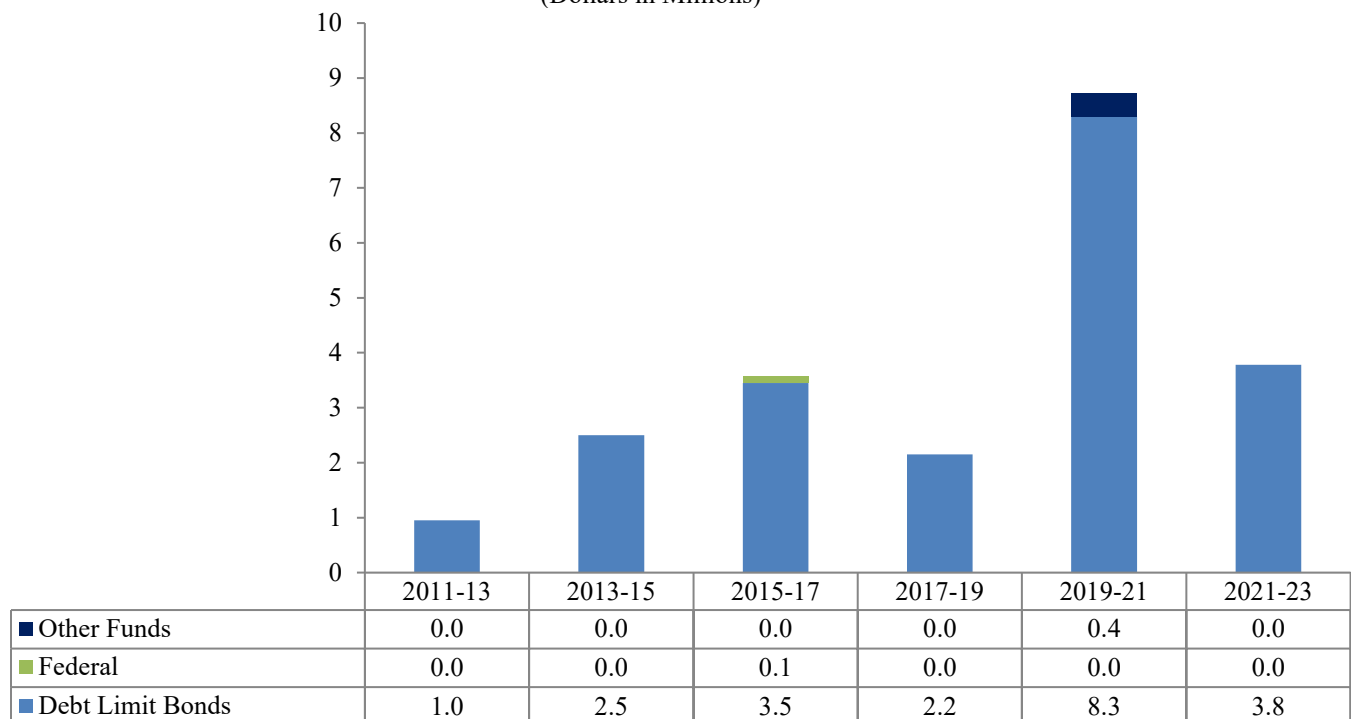
Major Capital Grant Programs

Grant/Loan Program	Brief Program Description	Eligible Organizations	2021-23 Total Program Appropriation (Dollars in Millions)
Heritage Barn Preservation Program	Competitive grant program to assist with rehabilitation projects to stabilize and preserve designated Heritage Barns across the state. Historic agricultural structures listed in the Heritage Barn Register, Washington Heritage Register, or National Register of Historic Places, are eligible to receive grant funds.	Private property owners, non-profit organizations, and local governments.	1.0
Historic Cemetery Grant Program	Grants are for construction, renovation, or rehabilitation projects that preserve the historic character, features, and materials of a cemetery, or that maintain or improve the functions of the cemetery. Any cemetery containing five or more burials, with at least one burial more than 50 years old, is eligible for grant funding.	Cemetery property owners, nonprofit organizations, and local governments.	.3

Grant/Loan Program	Brief Program Description	Eligible Organizations	2021-23 Total Program Appropriation (Dollars in Millions)
Historic County Courthouse Rehabilitation Grants	Grant program designed to provide state matching funds for eligible county courthouse rehabilitation and improvement capital projects.	Counties	1.9
Historic Theater Capital Grants Program	Grants are provided to eligible organizations for capital projects that stabilize and rehabilitate historical theater buildings. To qualify, a theater must have been originally built as a theater, be currently operating as, or will be restored to operate as a theater, and be registered in the Washington Heritage Register or the National Register of Historic Places.	Private/commercial property owners, non-profit organizations, and local governments.	0.3

Department of Archaeology and Historic Preservation Capital Budget Appropriations History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Secretary of State

Agency Description: The Office of the Secretary of State was established with the adoption of the Washington Constitution in 1889. The Secretary of State is elected every four years and is second in the line of succession to the Office of the Governor. There have been 16 Secretaries of State since statehood.

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

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

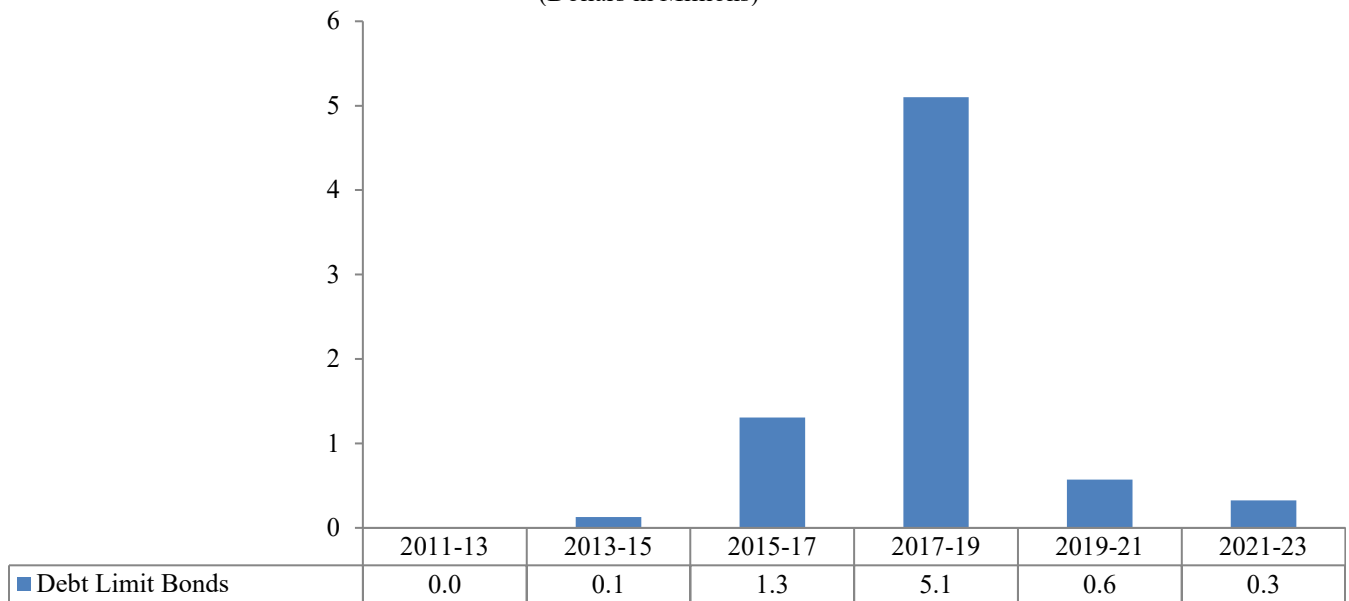
Facilities:

- Owned: 5 (177,000 sq. ft.)
 - 4 Washington State Archives' Regional Branches (Ellensburg, Bellingham, Cheney, Bellevue, 149,000 sq. ft.)
 - WA Talking Book and Braille Library (Seattle, 53,000 sq. ft.)
- Leased: 8 (Olympia & Tumwater, 215,400 sq. ft.)

Recent Major Project: Library-Archives Building (30000033)

- *Funding:* \$119 million in alternative financing for construction was authorized in the 2021-23 Capital Budget.
- *Description:* The new facility will house divisions located in separate leased facilities throughout Olympia and Tumwater, the State Library, Archives, and the state printer.
Update as of Fall 2022: The facility design will be completed by the end of 2022. The construction timeline has been extended due to a permit application pending with the U.S. Department of Fish and Wildlife related to the presence of a protected species of pocket gophers.

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



*Source: Legislative Evaluation and Accountability Program Committee, December 2022.
 Note: The appropriation chart above only reflects debt limit bonds and does not include the alternative financing authorization mentioned under the Library-Archives Building project.*

Relevant Organizations to the Functional Area

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

State Building Code Council (RCW 19.27.070): The State Building Code Council (Council) is a 20-member council created to advise the Legislature and the Governor on building code-related matters. The Council adopts and amends Uniform Codes, the Historic Building Code, and the Energy Code in accordance with the Administrative Procedures Act; and reviews, approves, or denies Local Residential Amendments.

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

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

Capitol Furnishings Preservation Committee (RCW 27.48.040): This 19-member committee promotes and encourages the recovery and preservation of the original and historic furnishings of the State Capitol group; prevents future loss of historic furnishings; and reviews and advises on future remodeling and restoration projects as they pertain to historic furnishings.

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

Capital Projects Advisory Review Board (RCW 39.10.230): The 2005 Legislature created the Capitol Projects Advisory Review Board to review alternative public works contracting procedures and provide guidance to state policy makers on ways to enhance the quality, efficiency, and accountability of public works contracting methods.

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

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

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

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

Human Services

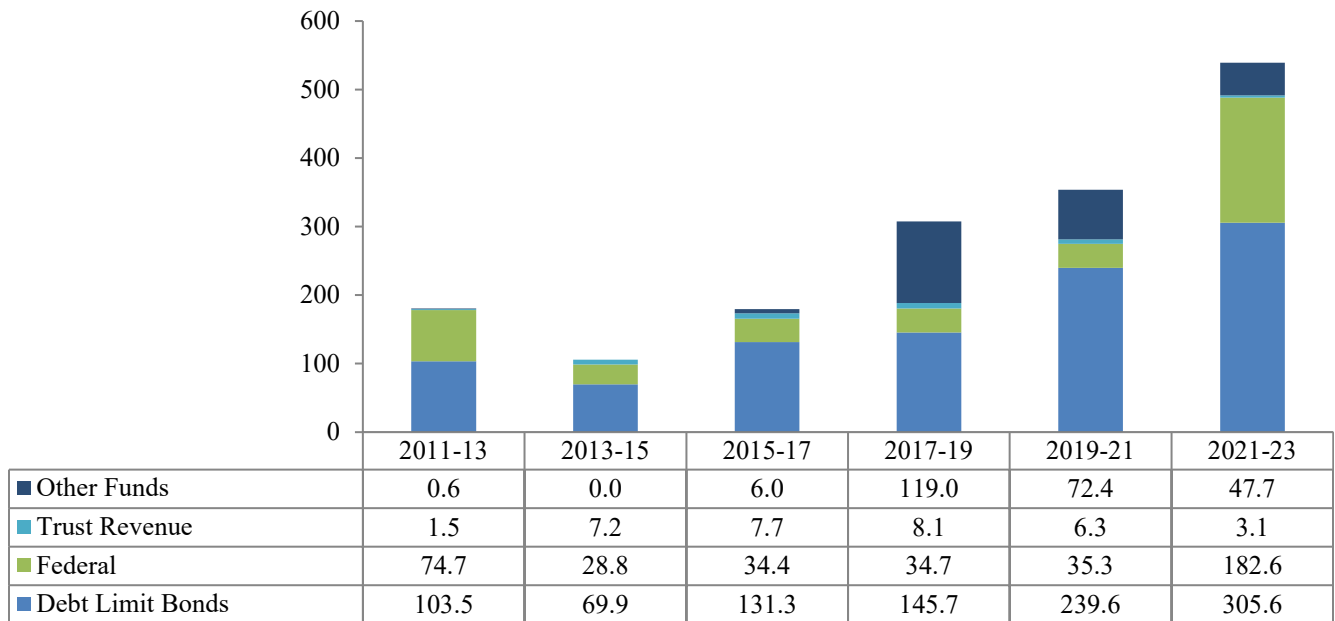


*Echo Glen Children's Center in Snoqualmie, Washington.
(Photo Credit: Legislative Support Services)*

Overview of Human Services

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

Human Services
Capital Budget Appropriations by Fund Source
 (Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Department of Social and Health Services

Agency Description: The Department of Social and Health Services (DSHS) maintains and operates facilities that provide care and treatment for persons with mental illness, sex offenders, and persons with developmental disabilities that require intensive care. The maintenance and operation of facilities for youth committed by juvenile courts for criminal behavior was moved from DSHS to the newly created Department of Children, Youth, and Families in July of 2019 (Fiscal Year 2020).

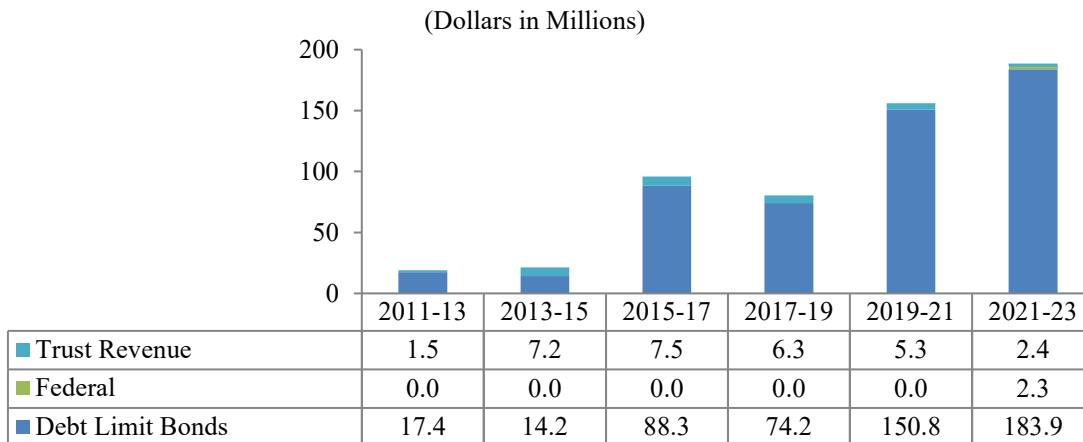
Facilities:

- Owned: 329 (4.5 million square feet)
 - 3 Psychiatric Hospitals: 94 facilities (Lakewood, Medical Lake, 2.2 million square feet)
 - 4 Residential Habilitation Centers: 190 facilities (Buckley, Medical Lake, Selah, Shoreline, 1.8 million square feet)
 - Special Commitment Center and 2 Secure Community Transition Facilities: 28 facilities (Steilacoom, 275,700 square feet)
 - Transitional Care Center (Seattle, 66,400 square feet)
 - Former Pine Lodge Corrections Center: 16 facilities (Medical Lake, 146,500 square feet)
- Leased: 106 with 2.2 million total square feet in 48 cities

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

- *Funding:* \$51 million was appropriated in the 2021-23 Capital Budget.
- *Description:* Funding was provided for the design of a 350-bed forensic hospital on the site of South Hall (Building 21) at Western State Hospital. Funding was also provided for the demolition of the buildings located on the new site.
- *Update as of Fall 2022:* Design is underway and Clark Construction has been hired as the general contractor/construction manager. The construction costs are estimated at \$895 million.

Department of Social and Health Services Capital Budget Appropriations History



Source: Legislative Evaluation and Accountability Program Committee, December 2020.

Major Capital Programs Administered by the Department of Social and Health Services

Mental Health Facilities

The Division of Mental Health operates three psychiatric hospitals including: the Child Study and Treatment Center (CSTC); Eastern State Hospital (ESH); and Western State Hospital (WSH). The two adult hospitals provide evaluation and inpatient treatment for people with serious or long-term mental illness who have been referred to the hospital through their Behavioral Health Organization (BHO) or Managed Care Organization (MCO), the civil court system when individuals meet the criteria for involuntary treatment (RCW 71.05), or through the criminal justice system (RCW 10.77). The Children’s Long-term Inpatient Program, in coordination with the child’s family or guardian and the MCO, manages referrals to the CSTC.

	Child Study and Treatment Center	Eastern State Hospital		Western State Hospital		Residential Treatment Facilities ³
Number of Facilities	8	41		45		3
Gross Square Feet	113,600	792,300		1,266,300		
	All clients	Civil	Forensic	Civil	Forensic	Forensic
Bed Capacity	47	192	175	467	370	84
Average Daily Census ¹	40	108	124	394	280	61
Number of Clients Admitted ²	43	139	251	1	672	320

Source: Department of Social and Health Services, 2021.

Notes:

1. Civil or forensic designation is based on legal status.
2. FY 2021 Average daily census is the average number of individuals per day at the facility by legal status.
3. FY 2021 Number of Clients admitted is an unduplicated count of clients admitted by facility. Patients with both a forensic and civil designation during the state fiscal year (e.g., forensic to civil conversion) are counted as forensic.
4. Residential Treatment Facilities include Maple Lane Competency Restoration Program, Fort Steilacoom Competency Restoration Program, and the Yakima Competency Restoration Program (YCRP). YCRP ramp down began July 2021.

Developmental Disabilities Facilities

The Division of Developmental Disabilities (DDD) provides a broad range of services and support to over 28,000 eligible clients, while maintaining four Residential Habilitation Centers (RHC) that house approximately 520 individuals.

The RHCs are 24-hour facilities certified as either: (1) Intermediate Care Facilities offering habilitation services, intensive nursing, therapy services, and work-related assistance; or (2) Nursing Facilities providing an extensive array of services for persons requiring daily nursing care. In addition, Rainier School operates one residential cottage not certified by Medicaid, that serves people transitioning from

acute care hospitals. Reductions in the number of clients served in RHCs will continue to affect the DSHS's funding requests for capital projects.

	Fircrest School	Rainier School³	Lakeland Village	Yakima Valley School⁴	Total
Number of Facilities	44	80	53	13	190
Gross Square Feet	405,700	843,200	443,600	141,900	1,834,400
Bed Capacity (CMS certified)	252	199	234	160	845
Average Monthly Census ¹	196	146	157	49	548
FTE Expended	637	618	618	199	2,072
Operating Expenditures ²	\$68,366,000	\$67,914,000	\$64,067,000	\$21,689,000	\$222,036,000
Average Cost per Resident	\$348,806	\$499,368	\$408,070	\$442,633	\$412,706

Source: Department of Social and Health Services, 2022.

Notes:

1. FY 2022 Average number of individuals per month at the facility.
2. FY 2022 Expenditures do not include centralized maintenance and operations.
3. Rainier School Census includes 7 residents in cottage not certified by CMS as of September 2022.
4. Yakima is not permitted to admit long-term residents per [RCW 71A.20.180 \(1\)\(b\)](#).

Special Commitment Center

The Special Commitment Center (SCC) operates as part of DSHS to provide intensive sex offender treatment to individuals who have been civilly committed. The Total Confinement facility serves as a 310 bed secure treatment facility located on McNeil Island, with an additional 29 temporary beds that can be made available to allow for emergency overflow. The SCC provides a specialized mental health treatment program for civilly-committed sex offenders who have completed their prison sentences and were found to meet the criteria of a sexually violent predator. Only sex offenders whom the court finds meet the legal definition of a sexually violent predator may be civilly committed to the SCC.

Secure Community Transition Facility

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

	Special Commitment Center	SCTF King County	SCTF Pierce County	<i>Total</i>
Number of Facilities	21	1	7	28
Gross Square Feet	247,000	15,600	13,000	275,700
Bed Capacity ¹	216	12	24	251
FY 2021 Average Daily Census ²	154	5	16	175

Source: Department of Social and Health Services, 2021.

Notes:

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

Department of Children, Youth, and Families

Agency Description: The Department of Children, Youth, and Families (DCYF) was created in 2017 and administers early learning, child welfare, and juvenile rehabilitation (JR) programs. The primary capital budget program administered by the DCYF is the management of JR facilities. The JR administration provides care, custody, and treatment for individuals between the ages of 10 and 25 who are committed to JR administration custody by a county juvenile court. The state owns and operates three secure residential treatment facilities and seven community facilities. Additionally, group care is provided by private contractors in residential community-based programs that operate out of leased facilities.

Facilities:

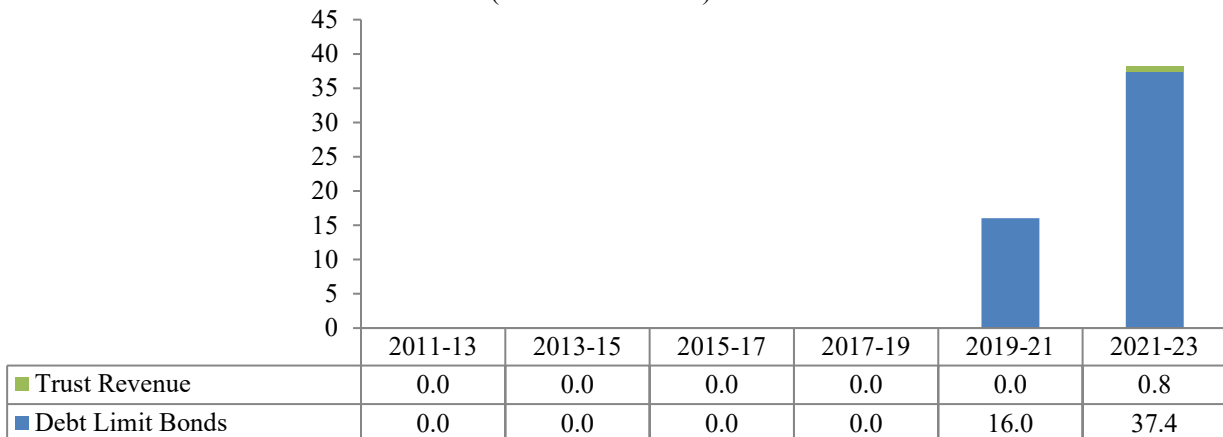
- Owned: 115 (643,756 square feet)
 - 45 at Echo Glen Children’s Center (Snoqualmie, 184,210 square feet)
 - 18 at Green Hill School (Chehalis, 276,570 square feet)
 - 35 at Naselle Youth Camp (Naselle, 125,506 square feet)
 - 16 Community Facilities (Across the state, 57,469 square feet)
- Leased: 42 (627,693 square feet)

Recent Major Project: Green Hill School – Recreation Building: Replacement (30003237)

- *Funding:* \$29.9 million was newly appropriated and \$1.8 million was re-appropriated in the 2021-23 Capital Budget.
- *Description:* Funding was provided for the construction of a new recreation building at Green Hill School in Chehalis.
- *Update as of Fall 2022:* The Recreation Building Replacement project is fifty percent complete with the construction phase and is on track to be completed on schedule in April 2023.

Department of Children, Youth, and Families Capital Budget Appropriations History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.
 Note: Historical data related to juvenile rehabilitation capital appropriations is included in DSHS.

Department of Children, Youth, and Families Juvenile Rehabilitation Census

Location	Echo Glenn	Green Hill	Naselle	Group Homes
Avg. Daily Population (FY22)	71	137	34	85
Physical Capacity	132	179	86	111
Average Annual Staff FTEs	211	363	102	167
Annual Cost Per Resident	\$293,008	\$213,039	\$286,986	\$172,744

Source: Department of Children, Youth, and Families, September 2022.

Note: Census as of June 30, 2022. According to DCYF, as of 9/12/22 no youth were residing at Naselle Youth Camp and the agency is working with the Department of Enterprise Services Property Acquisition and Disposal group to terminate their land lease and transfer the property to the Department of Natural Resources.

The JR secure residential and treatment facilities are:

- Echo Glen Children’s Center, located in Snoqualmie, a medium/maximum facility that serves younger male and older female individuals in JR administration custody;
- Green Hill School, located in Chehalis, a medium/maximum security fenced facility that serves older male youth in JR custody; and
- Naselle Youth Camp, located in Naselle, a medium security facility that serves male individuals in JR custody. The 2022 Supplemental Operating Budget directs the DCYF to cease new placements at the Naselle Youth Camp with the goal of closing the camp by June 30, 2023. The 2022 Supplemental Operating Budget further states a legislative intent of transferring management of the camp land and facilities to the Department of Natural Resources in the 2023-25 biennium in order to develop the facilities into an outdoor school.

Department of Labor and Industries

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

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

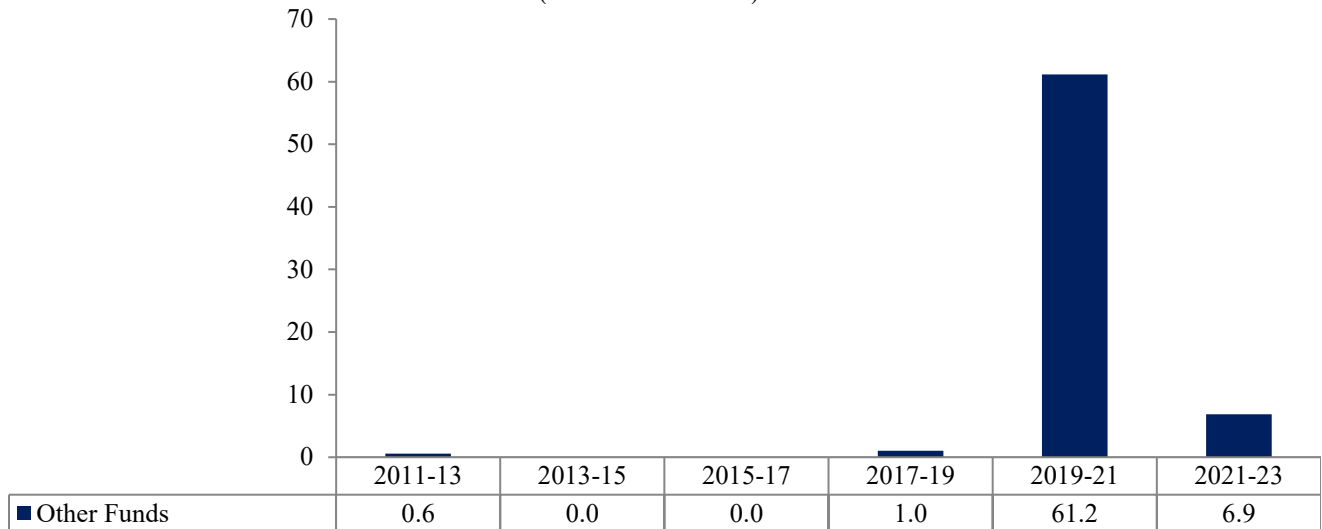
Facilities:

- Owned: 4 on Central Office Campus (Tumwater, 415,450 square feet)
- Leased: 20 (388,699 square feet), including the Division of Occupational Safety and Health (DOSH) Laboratory (Olympia, 20,570 square feet)*

*A new 53,000 square foot laboratory and training facility for L&I and Washington State Department of Agriculture was funded in the 2019-21 Capital Budget and will replace the DOSH leased lab as an L&I owned facility when complete in 2023.

Department of Labor and Industries Capital Budget Appropriations History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

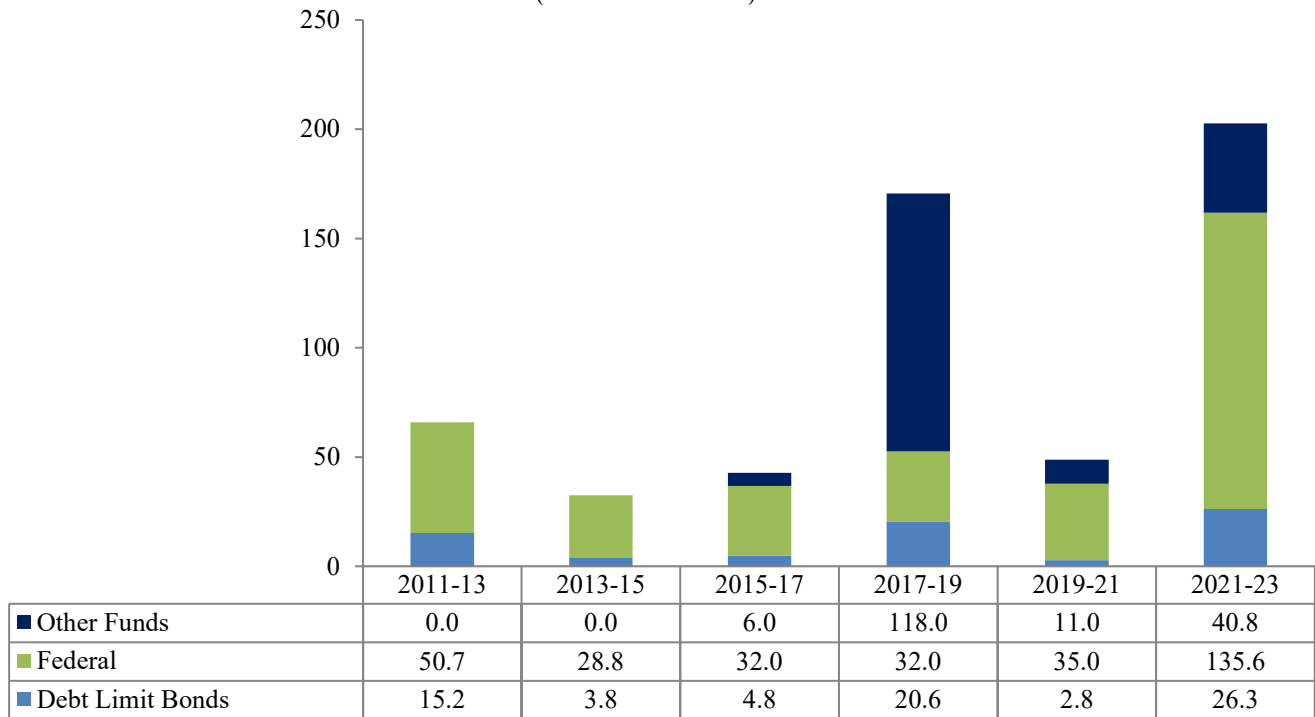
Department of Health

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

Facilities:

- Owned: 2 (87,820 square feet)
 - Public Health Lab (Shoreline, 86,668 square feet)
 - Hanford Modular (Hanford, 1,152 square feet)
- Leased: 11 (403,559 square feet)

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



*Source: Legislative Evaluation and Accountability Program Committee, December 2022.
Note: Historical data, prior to 2017-19, related to the Drinking Water State Revolving Fund is in the Department of Commerce.*

Major Capital Programs Administered by the Department of Health

Public Health Lab

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

Drinking Water Grant Programs

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

Approximately \$131 million in federal authority from the federal Infrastructure Investment and Jobs Act (IIJA) is expected in the 2023-25 biennium for the state's DWSRF. New requirements from the IIJA include directing at least 49 percent of the additional DWSRF stimulus grant and lead service line replacement funds as grants and forgivable loans to disadvantaged communities. The IIJA also provides funds through the DWSRF to address emerging contaminants, 25 percent of which must be distributed as grants and forgivable loans to disadvantaged communities or public water systems serving fewer than 25,000 people.

Drinking Water System Repairs and Consolidation: These state matching funds are used to help consolidate small drinking water systems with larger, well-run utilities and fix failing water systems by bringing them into compliance with the Safe Drinking Water Act. The funding is targeted to publicly owned Group A and B water systems for the voluntary transfer of the water system. Historically, this grant program has been funded with the State Building Construction Account.

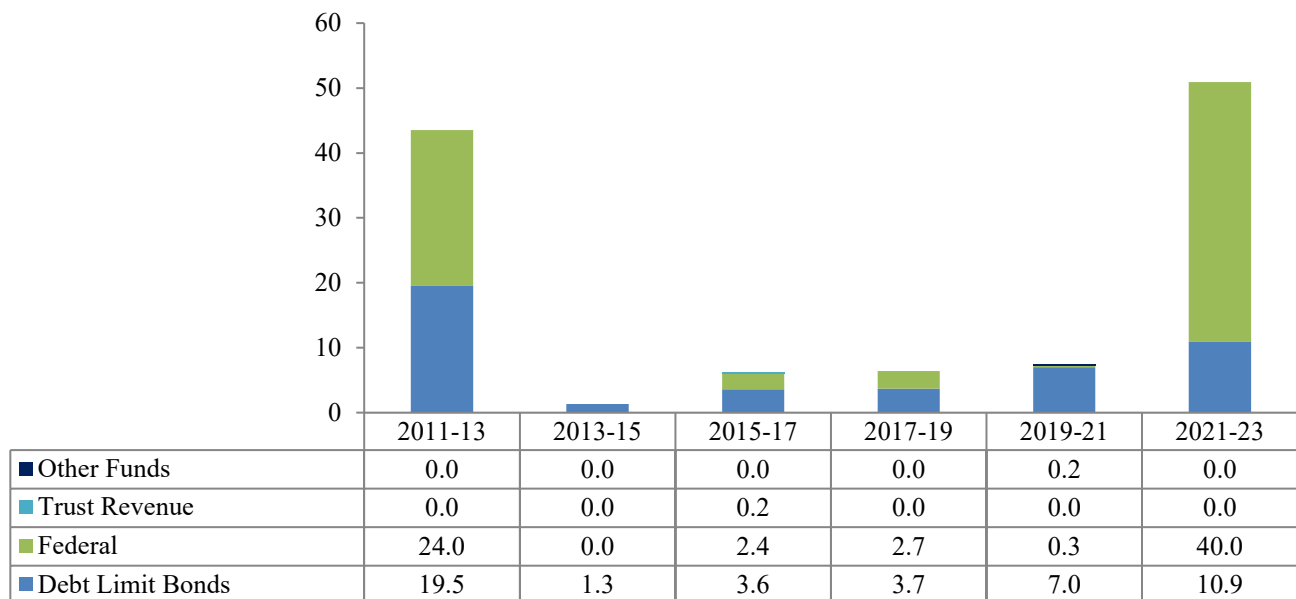
Department of Veterans Affairs

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

Facilities:

- Owned: 60 (614,100 square feet)
 - Veterans Homes
 - 28 at Washington Soldiers Home (Orting, 162,300 square feet): 179 bed facility (97 beds in the skilled nursing home, 82 beds in the Transitional Housing Program)
 - 21 at Washington Veterans Home (Retsil, 325,000 square feet): 288 bed facility (240 beds in the skilled nursing home, 48 beds in the Transitional Housing Program)
 - 2 at Spokane Veterans Home (Spokane, 42,500 square feet): 100 bed facility
 - 6 at Walla Walla Veterans Home (Walla Walla, 76,100 square feet): 80 bed facility
 - 3 at Washington State Veterans Cemetery (Medical Lake, 8,300 square feet)
- Leased: 3 (28,700 square feet)

**Department of Veterans Affairs
Capital Budget Appropriations History**
(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

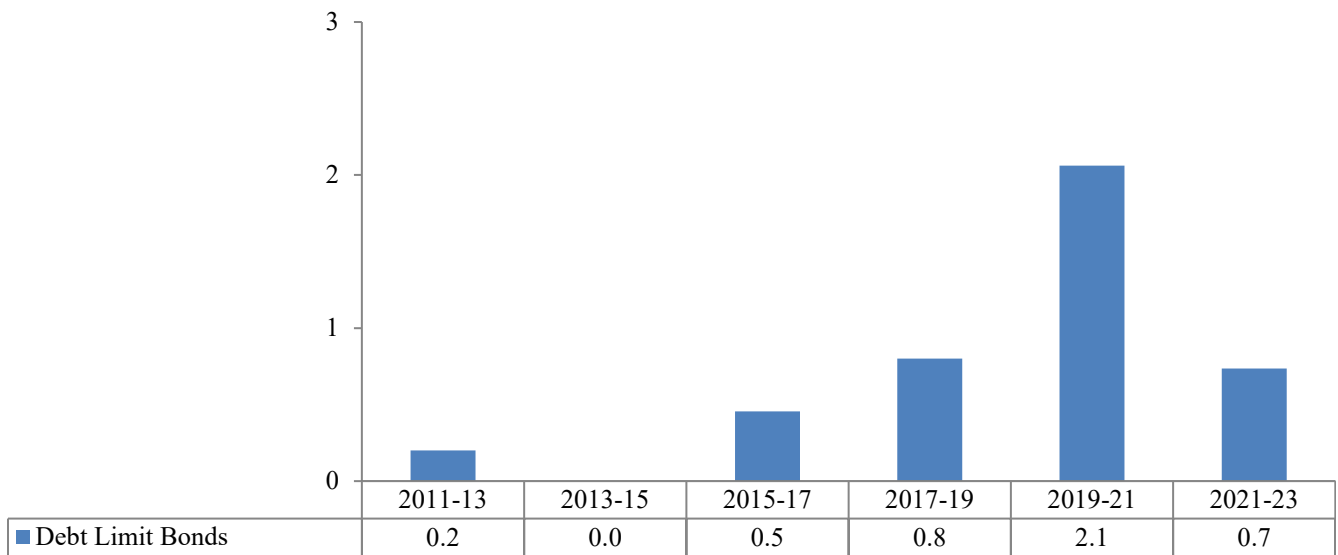
Criminal Justice Training Commission

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

Facilities:

- Owned: 8 at the Criminal Justice Training Center (Burien, 160,000 square feet)
- Leased: 1 at the Agency Headquarters (Lacey, 270 square feet)

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



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

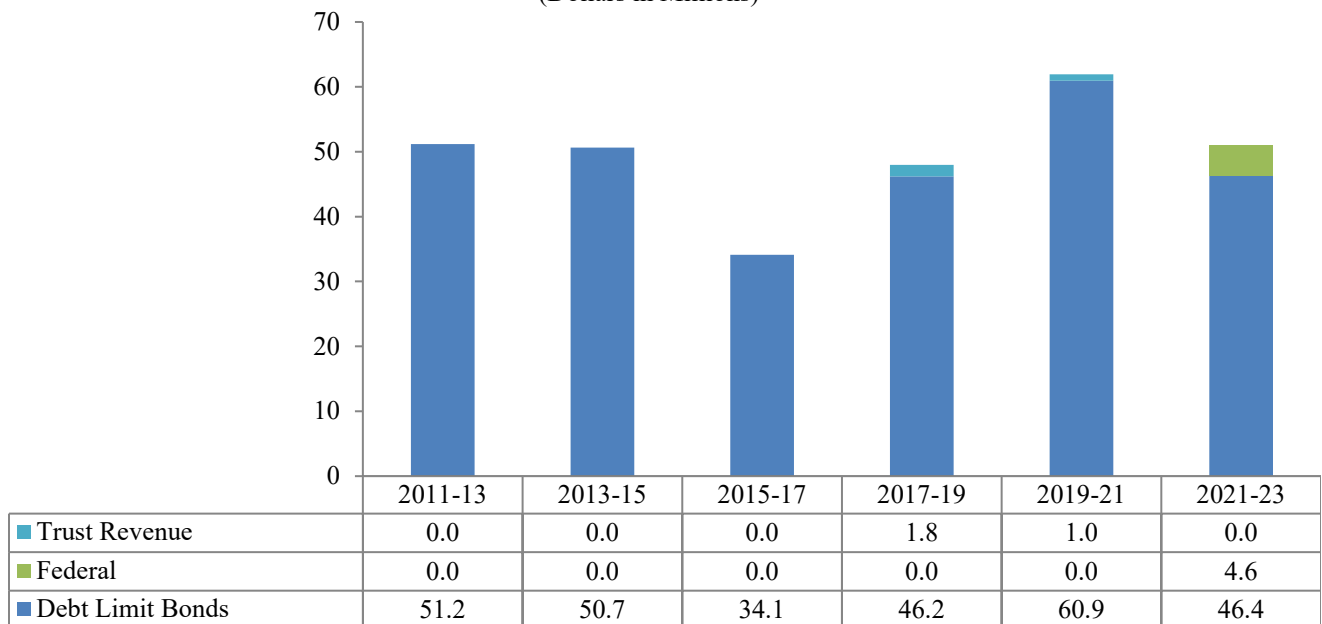
Department of Corrections

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

Facilities:

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

**Department of Corrections
Capital Budget Appropriations History**
(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Major Capital Programs Administered by Department of Corrections

Prison Facilities

All buildings at prison facilities are owned by the state. The facilities are designated by custody and security levels.

- Custody Levels at the DOC are designated by a point valuation through the classification process. Each Custody Level reflects the degree of supervision under which an individual is monitored.
- Facility security level designation refers to the security level requirements that apply to living units, facility perimeter, and movement controls within the facility. Living units with different custody levels may exist within the same perimeter, however, no living unit may be used for custody level higher than the facility’s perimeter. Security level designations are:
 - Security Level 5—Maximum Custody
 - Security Level 4—Close Custody
 - Security Level 3—Medium Custody
 - Security Level 2—Minimum Custody
 - Security Level 1—Community Based, Partial Confinement

DOC Prison Facilities

<p>Airway Heights Corrections Center (AHCC)</p> <ul style="list-style-type: none"> • Location: Airway Heights, Spokane County • Custody Level: Medium and Long-Term Minimum • Year Opened: 1992 • Facility Square Footage: 720,947 • Buildings: 52 • Operational Capacity: 2,172 • Physical Capacity: 2,257 	<p>Cedar Creek Corrections Center (CCCC)</p> <ul style="list-style-type: none"> • Location: Littlerock, Thurston County • Custody Level: Minimum • Year Opened: 1954 • Facility Square Footage: 166,711 • Buildings: 56 • Operational Capacity: 480 • Physical Capacity: 497
<p>Clallam Bay Corrections Center (CBCC)</p> <ul style="list-style-type: none"> • Location: Clallam Bay, Clallam County • Custody Level: Close, Maximum • Year Opened: 1985 • Facility Square Footage: 402,492 • Buildings: 29 • Operational Capacity: 616 • Physical Capacity: 1,306 	<p>Coyote Ridge Corrections Center (CRCC)</p> <ul style="list-style-type: none"> • Location: Connell, Franklin County • Custody Level: Minimum, Medium and Long-Term Minimum • Year Opened: Minimum Security—1992 and Medium Security—2009 • Facility Square Footage: 736,582 • Buildings: 48 • Operational Capacity: 2,302 • Physical Capacity: 2,749

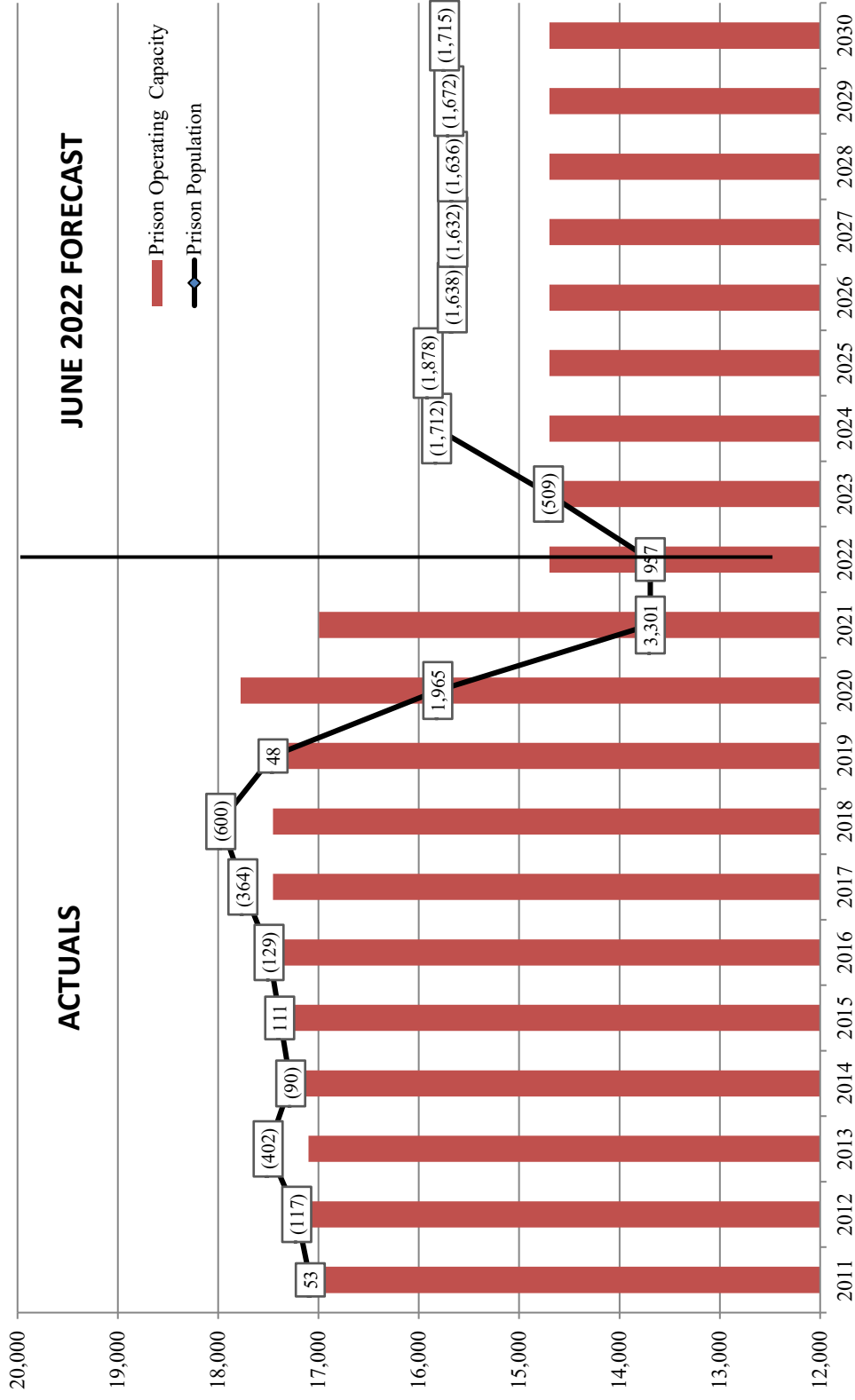
<p>Larch Corrections Center (LCC)</p> <ul style="list-style-type: none"> • Location: Yacolt, Clark County • Custody Level: Minimum • Year Opened: 1956 • Facility Square Footage: 154,512 • Buildings: 32 • Operational Capacity: 240 • Physical Capacity: 494 	<p>Mission Creek Corrections Center for Women (MCCCW)</p> <ul style="list-style-type: none"> • Location: Belfair, Mason County • Custody Level: Minimum • Year Opened: 2005 • Facility Square Footage: 112,627 • Buildings: 15 • Operational Capacity: 240 • Physical Capacity: 325
<p>Monroe Correctional Complex (MCC)</p> <ul style="list-style-type: none"> • Location: Monroe, Snohomish County • Custody Level: Maximum, Close, Medium, and Minimum • Year Opened: 1910 • Facility Square Footage: 1,138,159 • Buildings: 112 • Operational Capacity: 1,779 • Physical Capacity: 3,223 	<p>Olympic Corrections Center (OCC)</p> <ul style="list-style-type: none"> • Location: Forks, Jefferson County • Custody Level: Minimum • Year Opened: 1968 • Facility Square Footage: 164,015 • Buildings: 65 • Operational Capacity: 270 • Physical Capacity: 430
<p>Stafford Creek Corrections Center (SCCC)</p> <ul style="list-style-type: none"> • Location: Aberdeen, Grays Harbor County • Custody Level: Minimum, Medium, and Maximum • Year Opened: 2000 • Facility Square Footage: 720,004 • Buildings: 40 • Operational Capacity: 1,942 • Physical Capacity: 2,024 	<p>Washington Corrections Center (WCC)</p> <ul style="list-style-type: none"> • Location: Shelton, Mason County • Custody Level: Medium, Close, and Maximum • Year Opened: 1964 • Facility Square Footage: 704,406 • Buildings: 97 • Operational Capacity: 1,740 • Physical Capacity: 1,820
<p>Washington Corrections Center for Women (WCCW)</p> <ul style="list-style-type: none"> • Location: Gig Harbor, Pierce County • Custody Level: Minimum, Medium, and Close • Year Opened: 1971 • Facility Square Footage: 368,364 • Buildings: 37 • Operational Capacity: 759 • Physical Capacity: 1,011 	<p>Washington State Penitentiary (WSP)</p> <ul style="list-style-type: none"> • Location: Walla Walla, Walla Walla County • Custody Level: Close, Medium, and Minimum • Year Opened: 1886 • Facility Square Footage: 1,522,098 • Buildings: 110 • Operational Capacity: 2,158 • Physical Capacity: 3,058

Work Release Facilities

The DOC operates 12 work release facilities that provide individuals the opportunity to assimilate back into the community with employment and an approved residence. These facilities are either leased or owned by the state, or the facility is contracted by the DOC from a third-party provider.

<p>Ahtanum View Work Release (AVWR)</p> <ul style="list-style-type: none"> • Location: Yakima • DOC Owned Facility • Population: Males and females 	<p>Bellingham Work Release (BWR)</p> <ul style="list-style-type: none"> • Location: Bellingham • DOC Contracted Facility • Population: Males and females
<p>Bishop Lewis Work Release (BLWR)</p> <ul style="list-style-type: none"> • Location: Seattle • DOC Leased Facility • Population: Males 	<p>Brownstone Work Release (BSWR)</p> <ul style="list-style-type: none"> • Location: Spokane • DOC Owned Facility • Population: Males
<p>Eleanor Chase Work Release (ECWR)</p> <ul style="list-style-type: none"> • Location: Spokane • DOC Owned Facility • Population: Females 	<p>Helen B. Ratcliff Work Release (HRWR)</p> <ul style="list-style-type: none"> • Location: Seattle • DOC Leased Facility • Population: Females
<p>Longview Work Release (LWR)</p> <ul style="list-style-type: none"> • Location: Longview • DOC Owned Facility • Population: Males and females 	<p>Olympia Work Release (OWR)</p> <ul style="list-style-type: none"> • Location: Olympia • DOC Owned Facility • Population: Males and females
<p>Peninsula Work Release (PWR)</p> <ul style="list-style-type: none"> • Location: Port Orchard • DOC Owned Facility • Population: Males and females 	<p>Progress House Work Release (PHWR)</p> <ul style="list-style-type: none"> • Location: Tacoma • DOC Contracted Facility • Population: Males and females
<p>Reynolds Work Release (RWR)</p> <ul style="list-style-type: none"> • Location: Seattle • DOC Leased Facility • Population: Males 	<p>Tri-Cities Work Release (TCWR)</p> <ul style="list-style-type: none"> • Location: Kennewick • DOC Owned Facility • Population: Males and females

Department of Corrections Inmate Population vs. Funded Operating Capacity Variance



Source: Department of Corrections, October 2022.

Note: New bed needs will be reassessed with each new caseload forecast. Population data in Fiscal Years 2023 through 2033 is taken directly from the caseload forecast and is subject to changes related to COVID-19 impacts and sentencing policy.

Natural Resources

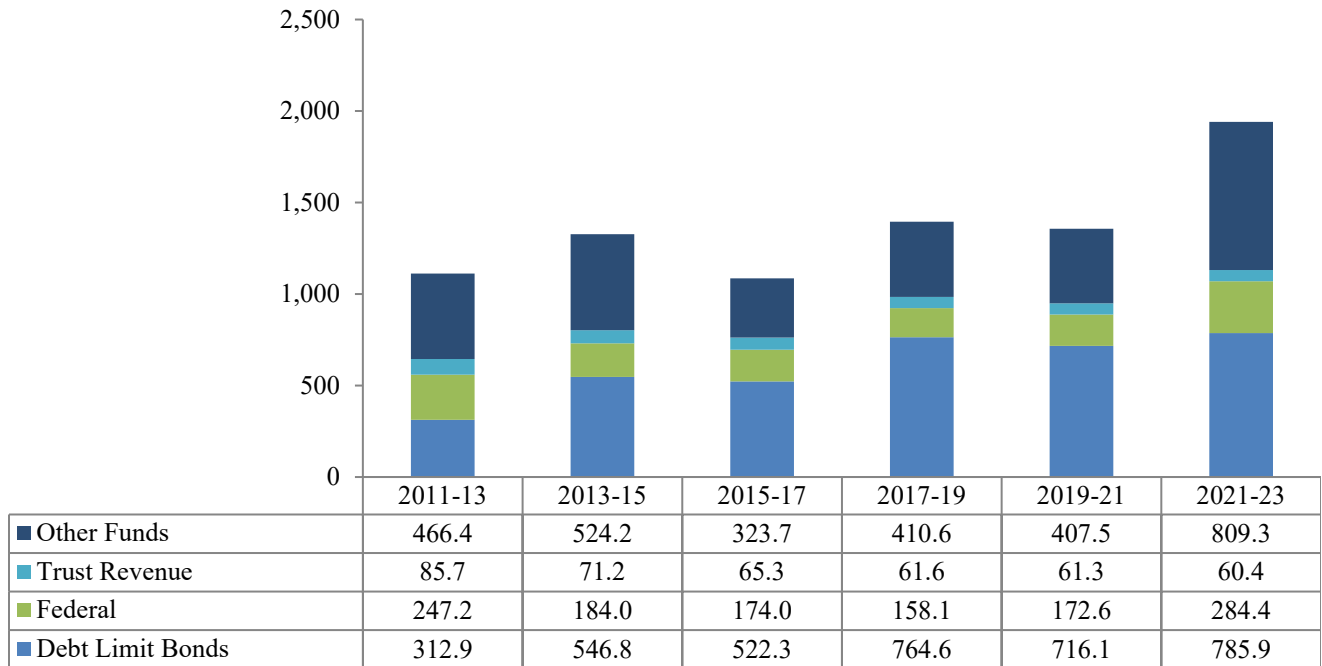


*Wallace Falls State Park.
(Photo Credit: Legislative Support Services)*

Overview of Natural Resources

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

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



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Department of Ecology

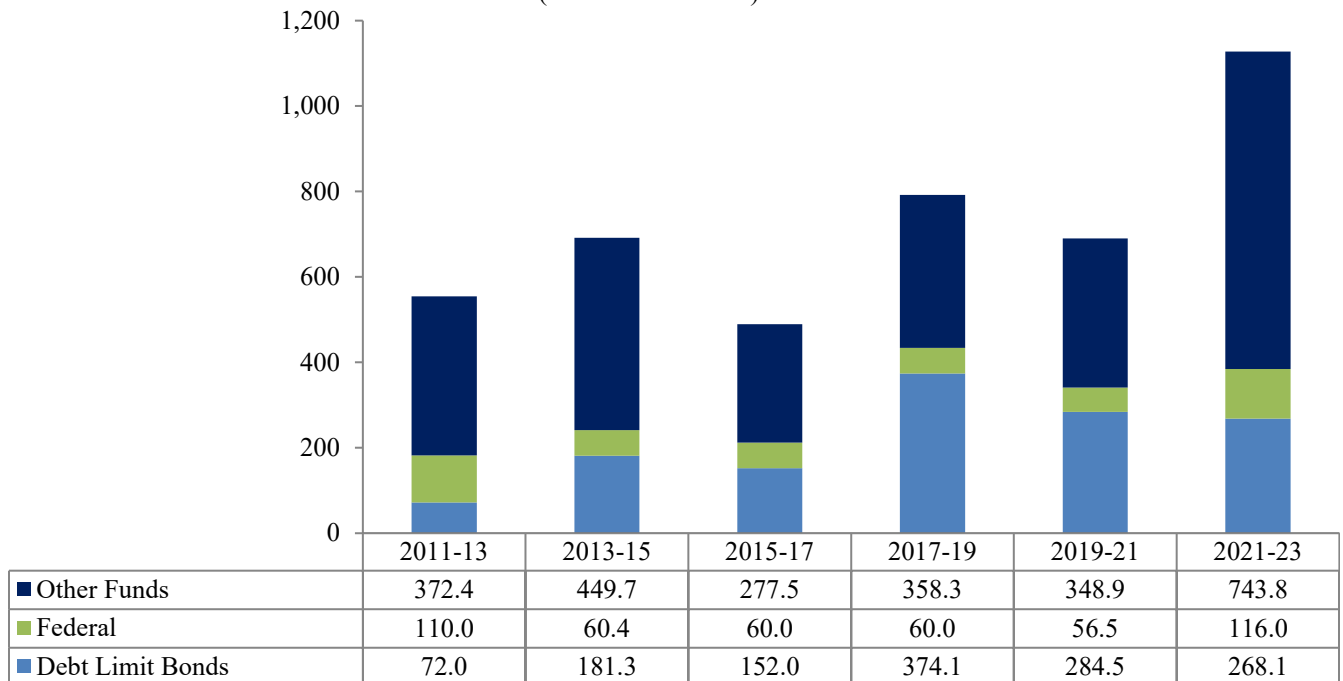
Agency Description: Established in 1970, the stated mission of the Department of Ecology (ECY) is "to protect, preserve and enhance Washington’s environment for current and future generations." The ECY receives state and federal capital funding to improve water quality; clean up and prevent toxic sites;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

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

Facilities:

- Owned: 13 (472,300 square feet), including:
 - 6 at Padilla Bay Watershed (Mount Vernon, 28,800 square feet)
 - Headquarters Building (Lacey, 388,300 square feet)
 - Eastern Regional Office (Spokane, 42,600 square feet)
 - Zosel Dam (Oroville, 5,280 square feet)
- Leased: 17 (96,614 square feet)

**Department of Ecology
Capital Budget Appropriations History**
(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Model Toxics Control Act Accounts

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

The 2019 Legislature passed ESSB 5993, reforming the structure of the MTCA accounts in [Chapter 70A.305 RCW](#) by replacing the three previous accounts with three new accounts and changing the HST structure for liquid petroleum products from a value-based tax to volume-based.

The allowable uses of the three new accounts are generally similar to the uses of the previous accounts, but are restructured into an operating-only account, a capital-only account, and a stormwater account that can be used by both the operating and capital budgets. The HST revenue is distributed among accounts as follows:

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

The MTCA was established by voters with the approval of Initiative 97 in 1988 with a purpose "to raise sufficient funds to clean up all hazardous waste sites and to prevent the creation of future hazards due to improper disposal of toxic wastes into the state's land and waters." The Legislature appropriates funds from the MTCA accounts for several capital projects and grant programs in the following programs: Hazardous Waste and Toxics Reduction, Solid Waste Management, Toxic Cleanup, and Water Quality.

Climate Commitment Act: Cap and Invest Program

The Climate Commitment Act (CCA), enacted in 2021, created a new regulatory program for reducing greenhouse gas emissions in Washington and is codified in [Chapter 70A.65 RCW](#). Beginning in 2023, Ecology is implementing a cap and invest program to generate new revenue through sales of emissions allowances at auctions. The revenue resulting from the sale of state-owned allowances will be distributed to several new state accounts for a variety of purposes.

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

- **The Air Quality and Health Disparities Improvement Account (AQHDIA)**, which is specified for use in the capital or transportation budgets to improve air quality and reduce health disparities in overburdened communities as described in [RCW 70A.65.280](#). The AQHDIA may receive transfers directly from auction proceeds, however the CCA does not specify an amount going into the AQHDIA. Any unspecified amounts default to another account (the Climate Investment Account), therefore legislative action will be necessary to add funds to the AQHDIA. The AQHDIA statute includes intent language that at least \$20 million per biennium be dedicated to this account. Funds are expected to be available for transfer into this account beginning in fiscal year 2023.
- **The Natural Climate Solutions Account**, for clean water and healthy forest investments as described in [RCW 70A.65.270](#). Investments from this account must result in long-term environmental benefits and increased resilience to the impacts of climate change. Funds will begin to be transferred to this account in fiscal year 2025.
- **The Climate Commitment Account**, for a variety of uses described in [RCW 70A.65.260](#). Examples of possible capital budget funding uses include greenhouse gas mitigation in overburdened communities, renewable energy and grid modernization, industrial energy efficiency and greenhouse gas reduction, energy efficiency in buildings, efficiency and market transformation of appliances and heating equipment, landfill emissions reductions, and climate change mitigation for tribes. Investments from this account must result in long-term environmental benefits and increased resilience to the impacts of climate change. Funds will begin to be transferred to this account in fiscal year 2025.

Infrastructure Investment and Jobs Act Funds

The 2021-23 Capital Budget appropriated additional authority to the ECY for the Water Pollution Control Revolving Loan Program to reflect additional clean water investments in the federal Infrastructure Investment and Jobs Act (IIJA). The IIJA funds, outlined below in the section describing the Water Pollution Control Revolving Loan Program, require the Clean Water State Revolving Fund to provide at least 49 percent of the supplemental funding as grants and forgivable loans for municipalities that meet the state’s affordability criteria, those that don’t meet affordability criteria but seek a subsidy to benefit ratepayers, or entities that incorporate sustainability, energy efficiency, or stormwater mitigation in their projects.

Major Capital Programs Administered by the Department of Ecology

The following table summarizes the Department of Ecology-administered grant programs funded in the capital budget; and the subsequent subsections provide more detail on selected capital programs.

Grant/Loan Program	Brief Program Description	Eligible Organizations	2021-23 Total Program Appropriation (Dollars in Millions)
Clean Diesel Grants	Clean diesel grant funds can be used to help purchase and install clean diesel technology on public and privately owned heavy-duty vehicles and equipment. The program’s primary objective is to electrify school buses, but the program will also support idle reduction and other diesel equipment engine replacements.	Cities, Counties, Other, Port Districts, Public Utility Districts, State Agencies, School Districts, Tribes	15.0
Coastal Wetlands Federal Funds	The National Coastal Wetland Conservation grant program provides grants for up to \$1 million to coastal and Great Lakes states to protect, restore, and enhance coastal wetland ecosystems and associated uplands. Sub-grantees, such as public benefit non-profit entities, and local and tribal governments, can hold the acquired land and apply for funding through Ecology or another state agency.	State Agencies	8.0
Floodplains by Design	Floodplains by Design (FbD) is a partnership between local, state, federal, and private organizations to coordinate integrated management of floodplain areas throughout Washington. FbD works to accelerate integrated efforts to reduce flood risks and restore habitat along Washington's major river corridors. Its goal is to improve the resiliency of floodplains in order to protect local communities and the health of the environment.	Cities, Counties, Non-Profit Organizations, Other, Port Districts, Tribes	50.9
Freshwater Algae Grant Program	Freshwater Algae Grants are provided to communities to monitor and remove nuisance algae and manage excessive freshwater algal blooms, with priority for the treatment of lakes in which harmful algal blooms have occurred within	Cities, Counties, Special Purpose Districts, State Agencies, Tribes	0.7

Grant/Loan Program	Brief Program Description	Eligible Organizations	2021-23 Total Program Appropriation (Dollars in Millions)
	the past three years. The ECY issues between three and five grants each year.		
Freshwater Aquatic Invasive Plants Grant Program	Freshwater Aquatic Invasive Plants Grants are awarded to communities to help control aquatic invasive plants. Eligible activities include development of integrated aquatic vegetation management plans, plant control activities, education and information projects, aquatic plant mapping and inventory, and pilot and demonstration projects, evaluation of implementation effectiveness and follow-up monitoring.	Cities, Counties, Special Purpose Districts, State Agencies, Tribes	1.7
Healthy Housing Remediation Program	Under this program, the ECY will offer grants to public, nonprofit, and private entities intending to remediate contaminated property to develop affordable housing. The ECY may also perform remediation on behalf of such entities.	Cities, Counties, For-Profit Organizations, Non-Profit Organizations, Other, Towns	10.9
Product Replacement Program	The Product Replacement Program offers financial incentives to Washington businesses to remove or replace consumer products containing toxic chemicals through technology and infrastructure upgrades, best management practices, disposal programs, and the use of safer chemicals. Currently, replacement programs are available for auto degreasers, firefighting foam, certain dry-cleaning chemicals, recreational foam, and mercury thermostats.	Other	6.5
Puget Sound Nutrient Reduction Grant Program	The Puget Sound Nutrient Reduction Grant Program assists municipalities in preparing and planning for future treatment facility upgrades and implementing operational modifications necessary to maximize nutrient removal from existing treatment processes and meet Puget Sound Nutrient General Permit requirements. Eligible applicants for funding are the 42 municipalities that operate the 58 wastewater	Cities, Counties	9.0

Grant/Loan Program	Brief Program Description	Eligible Organizations	2021-23 Total Program Appropriation (Dollars in Millions)
	treatment plants that discharge to Puget Sound that will be covered by the permit. Applications for 2021-23 are closed.		
Reducing Toxic Woodstove Emissions	The ECY provides grants to local clean air agencies to assist communities that violate or are close to violating federal fine particle pollution standards to remove uncertified wood-burning home heating devices with cleaner home heating options. Priority will be given to communities at high risk of violating national ambient air quality standards to prevent violations and avoid significant economic, environmental, and public health consequences.	Other	3.0
Remedial Action Grants and Loans	Remedial Action Grants and Loans provide funds to local governments to clean up contaminated areas. These grants and loans are categorized as integrated planning grants, oversight remedial action grants, independent remedial action grants, area-wide groundwater investigation grants, and safe drinking water action grants. Local governments can apply for a loan or grant to help clean up hazardous waste sites supervised by the Department of Ecology or the United States Environmental Protection Agency under a legal order or decree.	Cities, Counties, Other, Port Districts	71.2
Streamflow Restoration Implementation Grants	Streamflow Restoration Implementation Grants provide funding for projects that improve streamflow and instream resources. Priority is given to watersheds and areas addressed in the law and basins with Endangered Species Act-listed fish species.	Cities, Counties, Non-Profit Organizations, Special Purpose Districts, State Agencies, Tribes	40.0
Waste Tire Pile Cleanup and Prevention	The tire program provides funding to local governments to prevent and remove waste tire piles, and the enforcement and education on tire storage and hauling regulation.	Cities, Counties	1.0

Grant/Loan Program	Brief Program Description	Eligible Organizations	2021-23 Total Program Appropriation (Dollars in Millions)
Water Banking	Water Banking Grants fund the development of water banks in rural headwater counties. Funds will be used to help eligible counties and their partners preserve water rights for local use and to preserve instream flow. Applications are accepted from Nov. 17, 2021, until all funds are awarded, or until funding expires on June 30, 2023.	Counties	14.0
Water Quality Combined Funding Program	The Water Quality Combined Funding Program is a competitive application process providing low-interest loans and grants for projects that protect and improve water quality in Washington. These projects are wastewater treatment facilities, stormwater, onsite sewage systems, or projects to reduce nonpoint sources of water pollution. Applications are accepted annually between August and October.	Cities, Counties, Conservation Districts, Non-Profit Organizations, Other, Special Purpose Districts, Towns, Tribes	666.0

Hazardous Waste and Toxic Reduction

Clean up Toxic Sites Puget Sound is the clean-up of contaminated sites within one-half mile of Puget Sound that are either abandoned or where the potentially liable party (land user, facility operator or property owner) is unwilling or unable to pay costs associated with the cleanup activities. Funds are also used to advance emergent clean up needs of sites adjacent to critical and sensitive habitats. Clean up work is handled by direct state action, through contributions from potentially liable parties, and under interagency agreements with local governments, resource agencies, and tribes. The 2021-23 Capital Budget appropriation for the Clean up Toxic Sites Puget Sound program is \$5.8 million from the MTCA Capital Account.

Eastern Washington Clean Sites Initiative are remediation activities on contaminated sites, including cleanup work related to metals contamination, leaking underground storage tanks, landfills, salvage yards, and wood treatment facilities in Central and Eastern Washington. Projects include site investigations to confirm soil and groundwater contamination, development of action plans, removal of the contamination source, and groundwater monitoring. The 2021-23 Capital Budget appropriation for the Eastern Washington Clean Sites Initiative is \$20.8 million from the MTCA Capital Account.

Protect Investments in Cleanup Remedies is funding for the state's responsibility for cleanup costs at Superfund-financed sites where the state has entered into a contract with the United States Environmental Protection Agency. The 2021-23 Capital Budget appropriation for the Protect Investments in Cleanup Remedies program is \$11.1 million from the MTCA Capital account.

Water Quality, Management, and Supply

Office of Chehalis Basin: In December 2007 a series of storms caused flood damage in southwest Washington. On December 8, 2007, the President declared a major disaster in Grays Harbor, Kitsap, Lewis, Mason, Pacific, and Thurston Counties. Federal funding assistance was made available following this declaration and the next year, the Legislature authorized \$50 million in state general obligation bonds for projects throughout the Chehalis River Basin. In 2016 Legislation was enacted that established the Office of Chehalis Basin within the ECY with the primary purpose of pursuing implementation of an integrated strategy and administering funding for long-term flood damage reduction and aquatic species restoration in the Chehalis River Basin. In the 2021-23 Capital Budget \$70 million in state bonds was appropriated to the Chehalis Basin Strategy.

Water Resources Program

Columbia River Basin Water Supply: In 2006 the Legislature enacted Chapter 90.90 RCW to establish the Columbia River Basin Water Supply Program. The statute directs the ECY to "aggressively pursue the development of water supplies to benefit both instream and out-of-stream uses" through storage, conservation, and other actions, to meet the economic and community development needs of people and to ensure the in-stream flow needs of fish in the Columbia River Basin. Significant projects to date include the Lake Roosevelt incremental storage releases, Sullivan Lake water supply, and the Odessa sub-area groundwater replacement projects. In the 2021-23 Capital Budget, \$45 million (\$38.5 million in state bonds and \$1.5 million from the Columbia River Basin Water Supply Revenue Recovery Account) was appropriated to continue implementing the Columbia River Water Supply Development Program.

Yakima Basin Integrated Plan: In 2013 the Legislature authorized the ECY to implement the Yakima River Basin Integrated Water Resource Management Plan (Integrated Plan) (RCW 90.38.060). Through a coordinated effort of affected federal, state, and local agencies and their resources, the ECY develops water supply solutions that provide concurrent benefits to both in-stream and out-of-stream uses, and to address a variety of water resource and ecosystem problems affecting fish passage, habitat functions, and agricultural, municipal, and domestic water supply in the Yakima River Basin. The Integrated Plan includes seven elements: fish passage, structural and operational changes, surface water storage, groundwater storage, habitat protection and enhancement, enhanced water conservation, and market-based water reallocation. In the 2021-23 Capital Budget, \$42 million in state bonds was appropriated to continue implementation of the Yakima River Basin water supply project.

Water Quality Program

To assist local governments and tribes in improving and protecting water quality, the ECY administers three capital grant and loan programs under an annual funding cycle in a combined application for the Water Quality Combined Funding Program:

1. the Water Pollution Control Revolving Loan Fund;
2. the Centennial Clean Water Program; and
3. the Stormwater Financial Assistance Program.

The ECY uses a combined application and conducts an annual competitive round, evaluates and ranks applications, and produces a draft list of projects which is finalized once the Legislature determines the appropriation levels. Communities often combine these funding sources with the Public Works Assistance Account, Community Development Block Grant, or the United States Department of Agriculture Rural Development programs in order to fully fund large-scale projects.

Water Pollution Control Revolving Loan Program: Known also as the State Revolving Fund (SRF), the Water Pollution Control Revolving Loan Fund provides low-interest loan programs to local governments, special purpose districts, and recognized tribes to finance water quality facilities and activities. Loans can be used to plan, design, acquire, construct, and improve water pollution control facilities, such as wastewater or storm water treatment facilities for related non-point sources activities to meet state and federal water pollution control requirements. The SRF is funded through annual capitalization grants from the Environmental Protection Agency, a 20 percent state match, principal and interest payments, and interest earnings on State Treasurer investments. In the 2021-23 Capital Budget, \$225 million from the SRF and \$108 million in federal funds (\$333 million total) was appropriated to this loan fund. This appropriation authority reflects increased federal authority of \$33 million to reflect the additional clean water investments from the IIJA.

In addition, \$18 million in state SRF funds were appropriated as a state match for the federal funds and the 2022 Supplemental Capital Budget reinvested another \$200 million in early loan repayments received into the SRF for existing projects.

Centennial Clean Water Program: Initiated in 1986 (RCW 70.146), the Centennial Clean Water Program provides grants to public entities that use funds to address high-priority statewide water quality needs including for wastewater treatment, nonpoint source pollution control, watershed and estuary management projects that achieve specific environmental and public health benefits. In the 2021-23 Capital Budget, \$40 million in MTCA- Capital was appropriated for the construction of water pollution control facilities, and planning and implementing nonpoint pollution control activities.

Stormwater Financial Assistance Program: In 2013, the Legislature directed the ECY to develop an ongoing, comprehensive, statewide Stormwater Financial Assistance Program. The ECY program provides grants, on a competitive basis, to local governments for stormwater retrofit projects that treat polluted stormwater in priority areas through the state to reduce toxics and other pollution in waterways and protect marine waters, estuaries, lakes, rivers, and groundwater resources through the state. In 2021-23 Capital Budget, \$75 million from the MTCA Stormwater Account was appropriated to this program.

2022 Community-Based Public-Private Stormwater Partnership

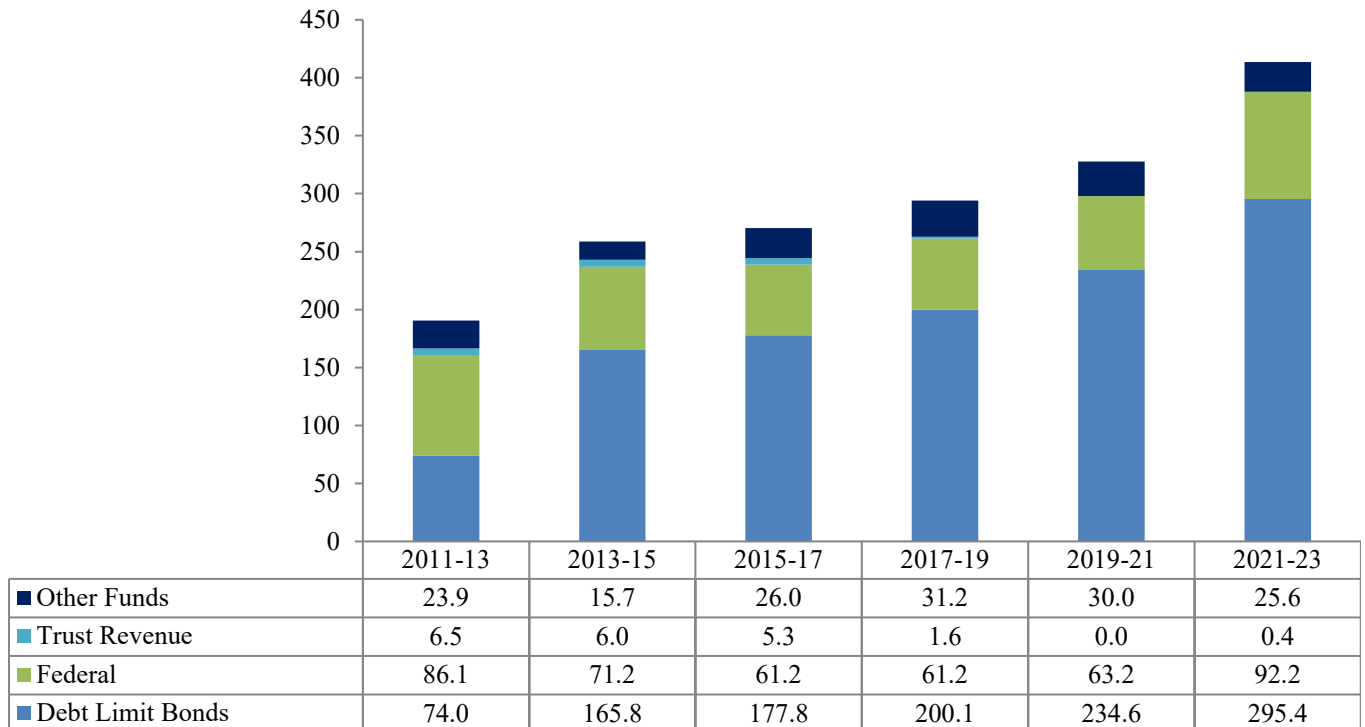
The 2022 Supplemental Capital Budget appropriated \$1 million from the MTCA Stormwater Account for the ECY to establish a community-based public-private partnership stormwater pilot program in order to develop local capacity and attract private investment for stormwater management.

Recreation and Conservation Office

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

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

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



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Major Capital Programs Administered by the Recreation and Conservation Office

The following table summarizes RCO grant programs funded in the capital budget; and the subsequent subsections provide more detail on several of the larger, statutory programs, as well as general salmon recovery programs.

Grant/Loan Program	Brief Program Description	Eligible Organizations	2021-23 Total Program Appropriation (Dollars in Millions)
Aquatic Lands Enhancement Account	Competitive grants for the purchase, improvement, or protection of aquatic lands for public purposes, and for providing and improving access to such lands.	Cities, Counties, State Agencies, Towns, Tribes	9.1
Boating Facilities Program	Competitive grants for the acquisition, development, planning, and renovation projects for motorized boating facilities, including launching ramps, transient moorage, and support facilities on fresh and saltwater. The funding is divided equally between state and local projects.	Cities, Counties, Other, Port Districts, State Agencies, School Districts, Towns, Tribes	15.0
Boating Infrastructure Grant Program	Competitive federal grants to develop and renovate recreational transient boating facilities targeting boats 26 feet and longer. Grants may also be used for boater education.	Cities, Counties, Non-Profit Organizations, Other, Port Districts, Public Utility Districts, Special Purpose Districts, State Agencies, Towns, Tribes	2.2
Brian Abbott Fish Barrier Removal Board	Competitive grants to remove barriers to fish passage with the goal of restoring salmon and steelhead to healthy and harvestable levels. The grant program is administered jointly by the Washington Department of Fish and Wildlife and the Recreation and Conservation Office.	Cities, Counties, Landowners, Non-Profit Organizations, Other, Port Districts, Special Purpose Districts, State Agencies, School Districts, Towns, Tribes	26.8

Grant/Loan Program	Brief Program Description	Eligible Organizations	2021-23 Total Program Appropriation (Dollars in Millions)
Community Forest Grant Program	Competitive grants to help communities protect and enhance their surrounding forest lands by acquiring land and developing collaborative models of community-based forest management and use.	Cities, Counties, Non-Profit Organizations, Other, Port Districts, Special Purpose Districts, State Agencies, Towns, Tribes	16.3
Estuary and Salmon Restoration Program	Competitive grants to protect and restore Puget Sound beaches, bays, and river deltas. The grants focus on strategic, ecosystem restoration projects that align with regional recovery efforts in the Puget Sound Action Agenda.	Cities, Counties, Federal Agencies, Higher Education Institutions, Non-Profit Organizations, Other, State Agencies, Towns, Tribes	15.7
Family Forest Fish Passage Program	Grants for small forest landowners to repair or remove fish passage barriers on their property. Enrolled landowners are not required to replace a barrier until the state provides financial assistance.	Landowners	6.0
Firearms and Archery Range Recreation Program	Competitive grants to acquire, develop, and renovate public and private nonprofit firearm range and archery training and practice facilities.	Cities, Counties, Non-Profit Organizations, Special Purpose Districts, State Agencies, School Districts, Towns	0.6
Land and Water Conservation Fund	Competitive federal grants for projects that acquire, preserve, develop, and provide access to outdoor recreation resources, including parks, trails, and wildlife lands.	Cities, Counties, Other, Special Purpose Districts, State Agencies, Tribes	20.0

Grant/Loan Program	Brief Program Description	Eligible Organizations	2021-23 Total Program Appropriation (Dollars in Millions)
Non-Highway Off-Road Vehicle Account	Competitive grants that provide funding to develop and manage recreation opportunities for such activities as cross-country skiing, hiking, horseback riding, mountain bicycling, hunting, fishing, sightseeing, motorcycling, and riding all-terrain and four-wheel drive vehicles. A portion of the funding also is available for education and enforcement programs that encourage environmentally responsible use of the outdoors and for helping to minimize conflict between visitors.	Cities, Counties, Federal Agencies, Non-Profit Organizations, Other, Special Purpose Districts, State Agencies, Towns, Tribes	10.0
Puget Sound Acquisition and Restoration	Competitive grants to help implement habitat protection and restoration priorities for salmon recovery in Puget Sound. The program is co-managed with the Puget Sound Partnership.	Cities, Counties, Non-Profit Organizations, Other, Port Districts, Special Purpose Districts, State Agencies, School Districts, Towns, Tribes	52.8
Recreational Trails Program	Competitive federal grants to rehabilitate and maintain recreational trails and facilities that provide a back-country experience.	Cities, Counties, Federal Agencies, Non-Profit Organizations, Other, Port Districts, State Agencies, School Districts, Tribes	5.0
Salmon Recovery Grants	Competitive grants awarded by the Salmon Recovery Funding Board to protect and restore salmon habitat. All project applications must first go through the local lead entity group. The program is funded with state and federal funds.	Cities, Counties, Landowners, Non-Profit Organizations, Other, Port Districts, Public Utility Districts, State Agencies, School Districts, Tribes	95.0

Grant/Loan Program	Brief Program Description	Eligible Organizations	2021-23 Total Program Appropriation (Dollars in Millions)
Washington Coastal Restoration Initiative Grants	Competitive grants to restore aquatic and terrestrial habitat on the Washington coast, which serves to protect existing salmon populations and provide jobs for local communities.	Cities, Counties, Conservation Districts, Non-Profit Organizations, Other, Port Districts, Special Purpose Districts, State Agencies, Tribes	10.3
Washington Wildlife and Recreation Program	Competitive grants with 12 categories that provide funding for acquisition, renovation and development of state lands, local and state parks, water access sites, trails, critical wildlife habitat, natural areas, urban wildlife habitat, farmland and forestland preservation, and protection of riparian areas.	Cities, Counties, Non-Profit Organizations, Other, Port Districts, Special Purpose Districts, State Agencies, School Districts, Towns, Tribes	100.0
Youth Athletic Facilities	Competitive grants to acquire, develop, and improve outdoor athletic facilities, such as ballfields, courts, swimming pools, BMX tracks, and skate parks that serve youth.	Cities, Counties, Non-Profit Organizations, Other, Towns, Tribes	11.2

According to the RCO, more than \$3.3 billion in grants have been awarded to more than 11,000 projects since its founding in 1964. Fund sources backing the grants have included dedicated state fees and taxes, debt limit bonds, and federal funds.

Washington Wildlife and Recreation Program

The goals of the Washington Wildlife and Recreation Program (WWRP), as expressed in RCW 79.15A, are "to acquire as soon as possible the most significant lands for wildlife conservation and outdoor recreation purposes before they are converted to other uses, and to develop existing public recreational land and facilities to meet the needs of present and future generations." The RCO manages a biennial WWRP competitive grant process open to local governments, special purpose districts, salmon recovery lead entities, state agencies, tribes, and nonprofit organizations. Grant recipients, except state agencies, must generally provide at least 50 percent matching resources. However, in some instances, the match percentage may be reduced for communities in need, underserved populations, counties in need, and federal disaster areas.

Applications are reviewed by RCO staff and evaluated and ranked by citizen evaluation committees made up of recreation and conservation experts. The ranked lists are considered by the Recreation and Conservation Funding Board, which then submits prioritized project lists to the Governor and Legislature for approval.

Before July 2016 the WWRP statute prescribed how the capital budget appropriation was to be allocated among four accounts with a somewhat complex formula. In 2016 legislation was enacted to simplify the formula and account structure, as well as change some of the WWRP eligibility and application processes. The revisions were based on recommendations made by the RCO to the Legislature in 2015. Moneys appropriated to the WWRP are allocated among three accounts:

Account	Percent of Funds Allocated
Habitat Conservation	45
Outdoor Recreation	45
Farm and Forest	10

The allocation percentages for 11 project categories are shown below:

Washington Wildlife and Recreation Program Appropriation Allocation



*Amounts in excess of \$3 million will be used to supplement the Riparian Habitat Category.

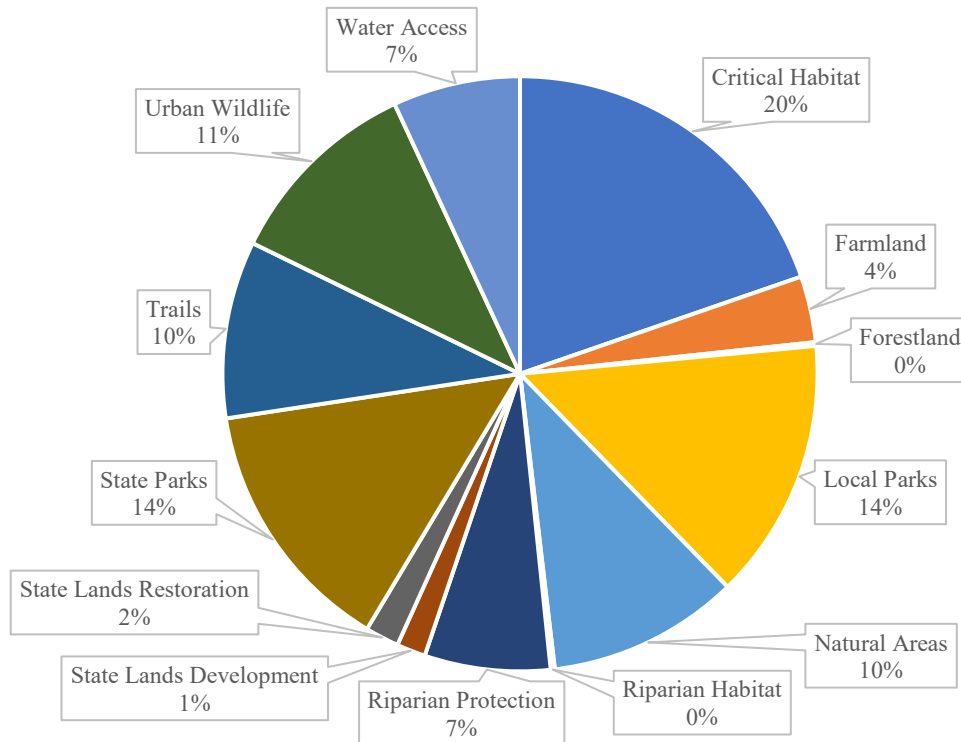
**Amounts in excess of \$3 million will be used to supplement the Water Access Category.

Source: Office of Program Research, October 2022.

WWRP grants are supported by legislative appropriations of general obligation bonds. As shown in the figure below, approximately \$1.02 billion has been awarded to projects through this program since 1990. In the past five biennia, capital budget appropriations for the WWRP have ranged from \$55.3 million to the \$100 million most recently appropriated in the 2021-23 Capital Budget.

Washington Wildlife and Recreation Program

Percent of \$1.02 Billion
1990-2022



Source: Recreation and Conservation Office, September 2022.

Salmon Recovery

Salmon Recovery programs provide state and federal funding as grants for projects that protect or restore salmon habitat, and for monitoring, feasibility assessment, and other related activities. RCO administers many of these grant programs, several jointly with other agencies, for the state.

Types of Grants: Seven state programs, administered through the Salmon Recovery Funding Board and the RCO, are included under the salmon recovery umbrella in the capital budget (2021-23 appropriations listed parenthetically):

- Salmon Recovery Funding Board grants (\$95.0 million);
- Estuary and Salmon Restoration Program grants (\$15.7 million);
- Brian Abbot Fish Barrier Removal Board grants (\$26.8 million);
- Washington Coastal Restoration and Resiliency Initiative grants (\$10.3 million);
- Chehalis Basin Program salmon recovery and aquatic habitats grants (\$14.8 million);
- Family Forest Fish Passage Program grants (\$6.0 million); and
- Puget Sound Acquisition and Restoration grants (\$52.8 million).

It should also be noted that the 2022 Supplemental Operating Budget provided \$180.8 million for a variety of salmon-related activities to multiple agencies. Some of this funding was appropriated to the RCO for salmon recovery projects previously funded in the capital budget, including:

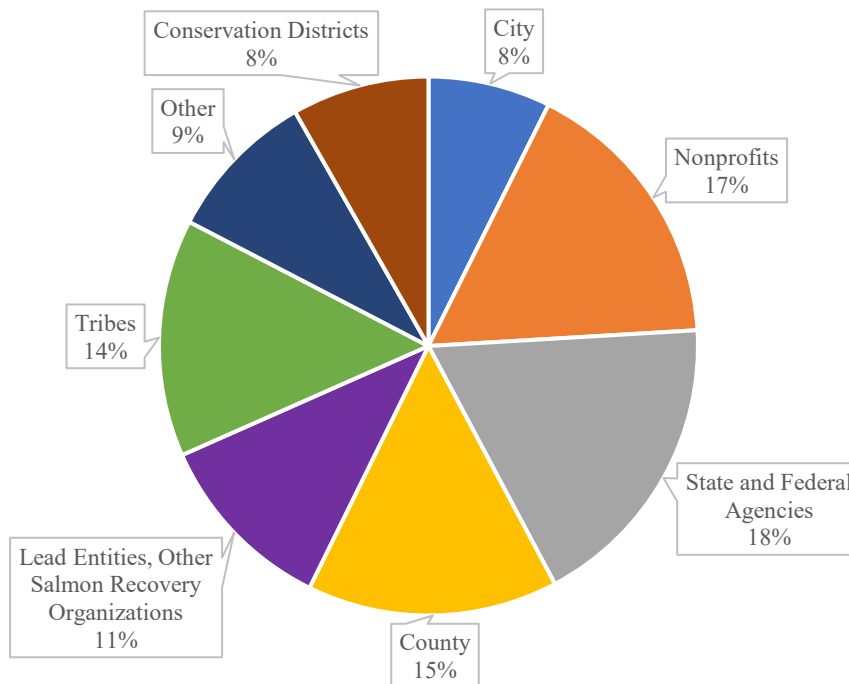
- Salmon Habitat Restoration (\$75 million);
- Duckabush Estuary Restoration Project (\$25 million for a Department of Fish and Wildlife-managed project on the Duckabush River)

Distribution of Funds: Local and tribal governments, nonprofits, state agencies, conservation districts, private landowners (in limited cases), and regional fisheries enhancement groups are eligible for grants and must provide at least 15 percent in matching cash or in-kind contributions. About 34 percent of the funding is allocated to projects in Puget Sound, 6 percent for Hood Canal, 10 percent for the Washington coast, and 50 percent to projects in the Columbia and Snake Rivers and northeast Washington.

The following pie charts display the distribution of salmon recovery grants from fiscal years 1999 to 2023, in terms of recipients and purposes, through the 2022 Supplemental Capital Budget. The pie charts take into account federal and state funding, but not local matching funds.

Salmon Recovery Funding by Recipient

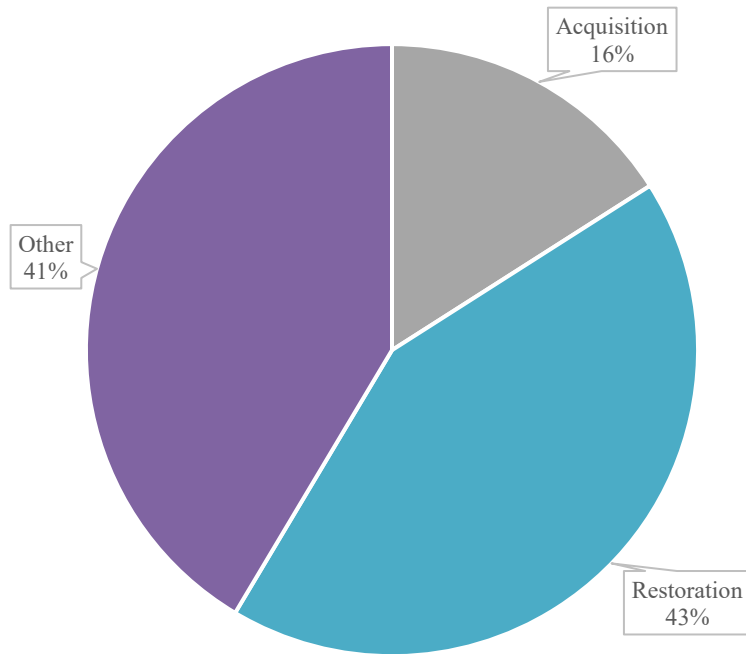
Percent of \$1.5 Billion
Fiscal Years 1999-2023



*Note: Does not include funds appropriated through the operating budget.
Source: Recreation and Conservation Office, September 2022.*

Salmon Recovery Funding by Project Purpose

Percent of \$1.5 Billion
Fiscal Years 1999-2023



Note: Examples of "Other" project types include planning, habitat enhancement, research, and monitoring. Does not include funds appropriated through the operating budget.

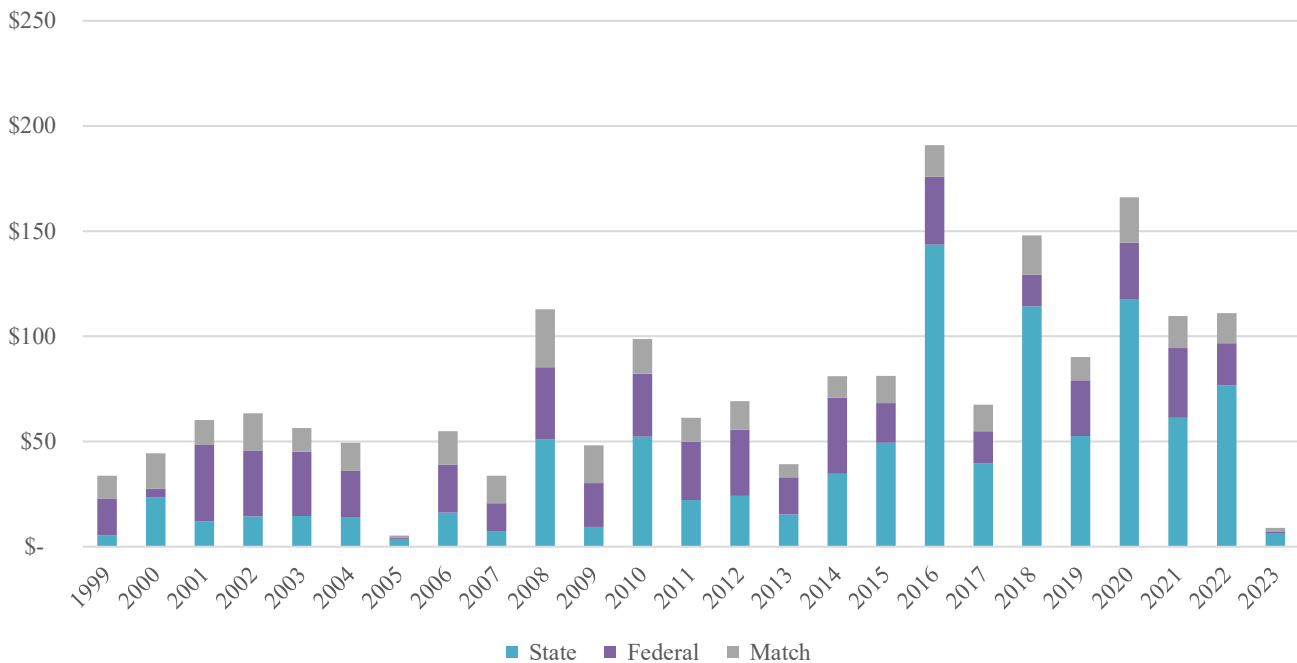
Source: Recreation and Conservation Office, September 2022.

Source of Funds: Between fiscal years 1999 and 2023, \$1.5 billion has been allocated to salmon recovery projects from state and federal appropriations. An additional \$338 million from local resources have been contributed as match.

The following chart displays salmon recovery funding by source, from fiscal years 1999 through 2023 (which includes only partial year data). It accounts for state, federal, and local matching funds, including the small amount of funds which have been authorized but not yet obligated. It does not account for future appropriations that may be allocated to future fiscal years.

Salmon Recovery Funding by Funding Source

Fiscal Years 1999-2023
(Dollars in Millions)



*Note: Does not include funds appropriated through the operating budget. Fiscal Year 2023 reflects partial year data.
Source: Recreation and Conservation Office, September 2022.*

Non-Highway and Off-Road Vehicle Activities

The Non-Highway and Off-Road Vehicle Activities (NOVA) program funds projects that develop and manage opportunities for recreational activities such as cross-country skiing, hiking, horseback riding, mountain biking, hunting, fishing, sightseeing, motorcycling, and riding all-terrain and four-wheel drive vehicles. Except for off-road vehicle facilities, recreational activities supported by NOVA must be accessed via non-highway roads, which are public roads not built or maintained with gasoline tax funding. Examples of NOVA projects include: (1) building, renovating, and re-routing of hiking and horseback trails; (2) maintaining trails and associated campgrounds and trailheads; (3) operating off-

road vehicle parks; and (4) other planning, capital improvements, acquisition, education, and law enforcement projects.

The Legislature appropriates funding from the NOVA Account, which receives revenues from off-road vehicle use permits and 1 percent of the state gasoline tax revenues. The RCO manages a competitive process for allocating the grants. At least 70 percent of the funding must be used for recreational facilities. Eligible applicants include local governments, tribes, federal and state agencies, and a limited number of nonprofit organizations. Applications are evaluated by a citizen committee made up of trail and off-road vehicle experts. The committee's ranked recommendations are submitted to the Recreation and Conservation Funding Board for final grant award. In the 2021-23 biennium, the Legislature appropriated \$10.0 million for the NOVA Program through the capital budget.

Youth Athletic Facilities

The Youth Athletic Facilities (YAF) program provides grants to buy land and develop or renovate outdoor athletic facilities, such as ball fields, courts, swimming pools, mountain bike tracks, and skate parks that serve youth through age 18. Project applications fall into two eligibility categories: (1) small grants, for cities, towns, and park districts with 10,000 residents or fewer, counties with 60,000 residents or fewer, Native American tribes, and nonprofit organizations; and (2) large grants, for cities, counties, park districts, Native American tribes, and nonprofit active in youth or community athletic activities for at least 3 years. Small grants may not exceed \$75,000. Large grants range between \$25,000 and \$350,000. In both cases, applicants must contribute a match that is equal to the amount of the grant request. In the 2021-23 biennium, the Legislature appropriated \$11.2 million for the YAF program.



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

State Parks and Recreation Commission

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

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

- Owned: 2,783 facilities (3.2 million square feet)
 - Examples: Comfort stations and toilet facilities, equipment storage, cabins, cottages, shelters, lighthouses, kitchen and mess facilities, historic buildings, interpretive centers, office space, garages, and utility buildings.
- Leased: 4 (61,200 square feet)
 - Examples: Headquarters building, comfort stations and toilet facilities, shelters, cabins, storage, office space, garages, and utility buildings.

Land:

- Owned: 111,900 upland acres
- Leased: 27,300 upland acres

Capital Budget Focus

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

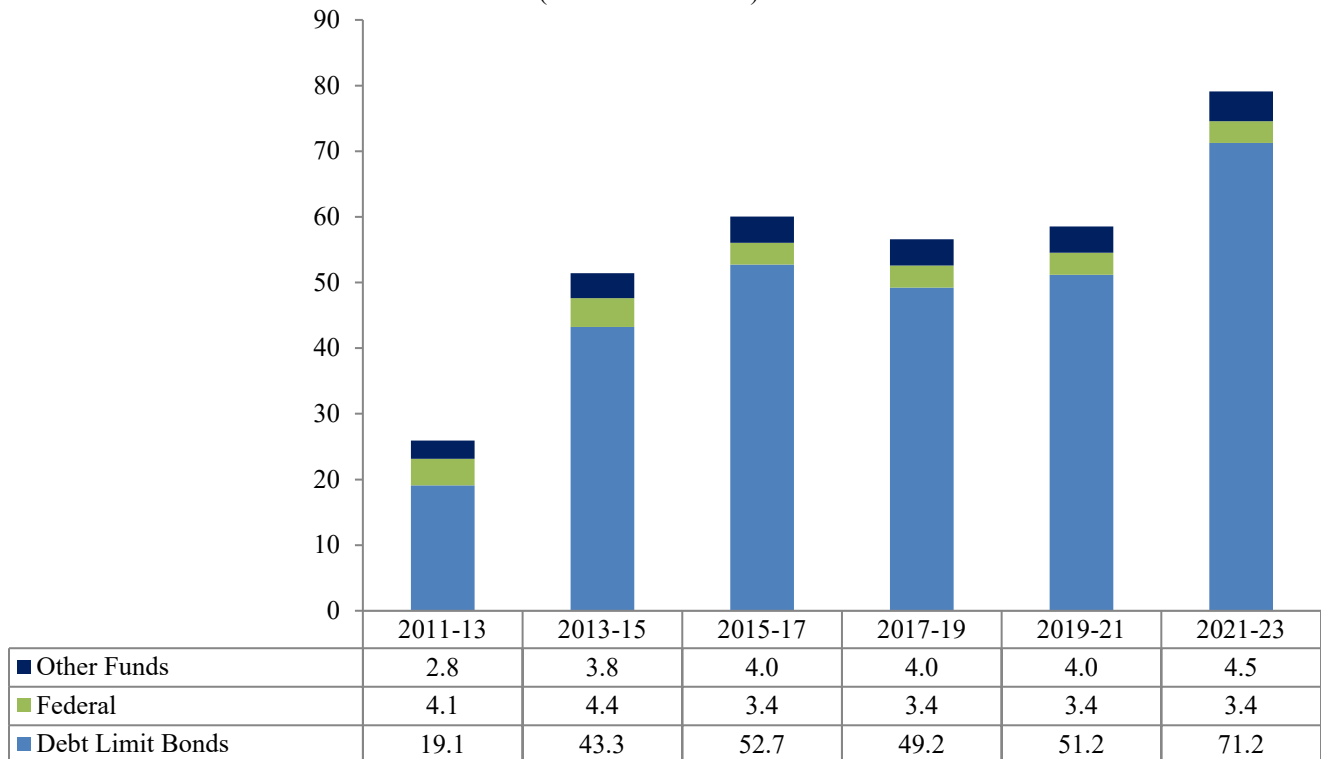
- 69 parks with reservable campgrounds;
- 19 marine parks, 11 historical parks, and 16 heritage sites;
- 6,176 traditional campsites and 67 group camps;
- 67 yurts, platform tents, tee pees, and Adirondacks;
- 2,787 owned facilities (including 770 designated historic buildings);
- about 60 miles of ocean beaches;
- approximately 15,000 acres of natural habitat preserving threatened, endangered, and rare plants and animals;
- 758 miles of in-park hiking trails and 422 miles of long-distance trails;
- over 3,300 miles of groomed snowmobile and cross-country skiing managed trails; and
- over 40 parks with boat launch facilities (87 boat launches total).

Major Capital Grant and Loan Programs

Grant/Loan Program	Brief Program Description	Eligible Organizations	2021-23 Total Program Appropriation (Dollars in Millions)
Statewide Boat Pump-Out Program	The Clean Vessel Act Grant Program offers grants for the construction, renovation, operation, and maintenance of publicly accessible marine sewage disposal facilities for use by recreational boats. Projects typically funded include construction or renovation of pump-outs, dump stations, floating restrooms, and pump-out boats. Financial assistance is offered for the ongoing operation and maintenance costs of these facilities.	Cities, Counties, Non-Profit Organizations, Other, Port Districts, State Agencies, Towns, Tribes	2.6

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

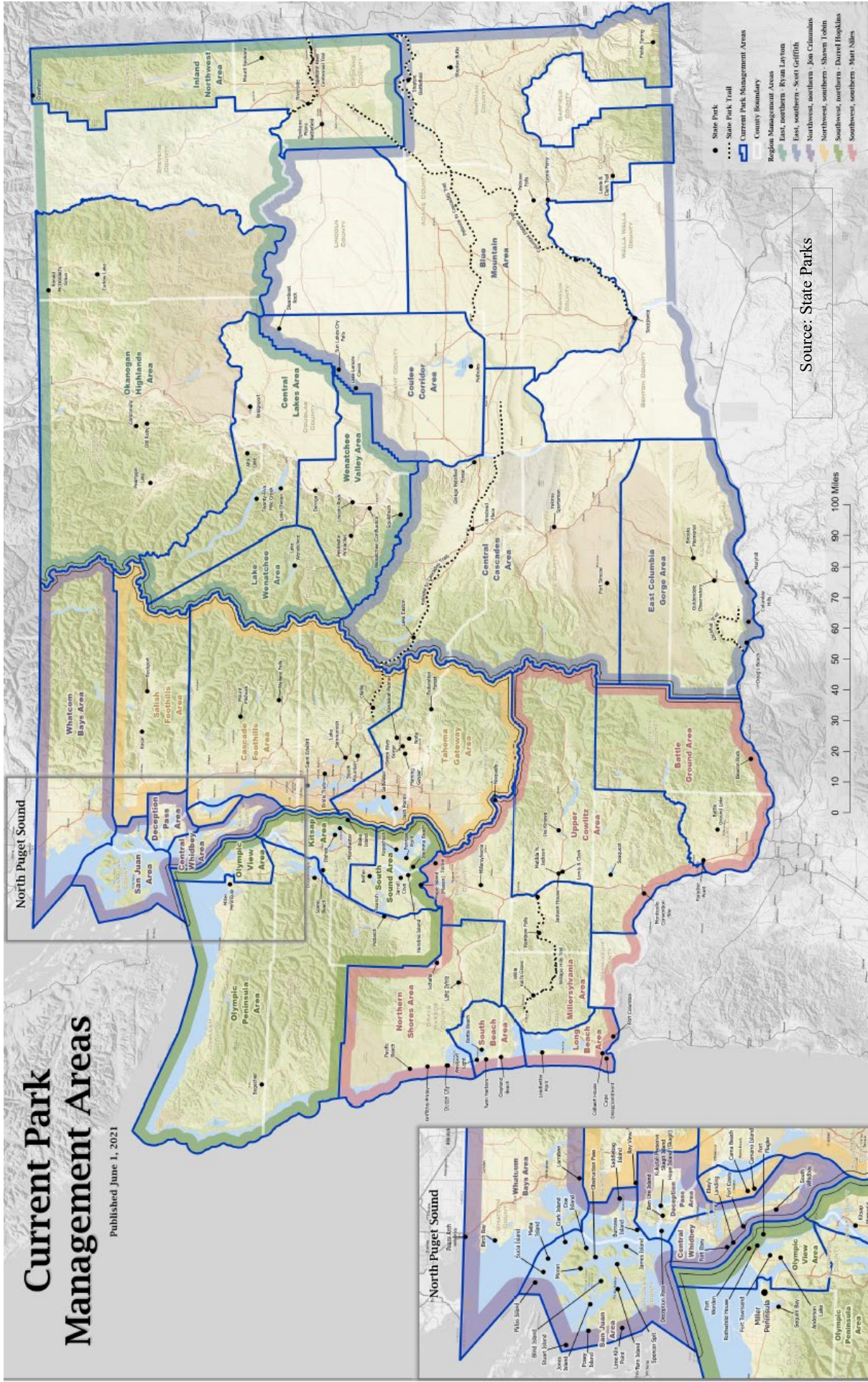
(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Current Park Management Areas

Published June 1, 2021



Source: State Parks

State Conservation Commission

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

Facilities: The SCC is headquartered in Lacey at the Department of Ecology's headquarters building. In addition, the SCC occupies 1,500 square feet of leased space in four office buildings in Spokane Valley, Mount Vernon, Okanogan, and Ellensburg.

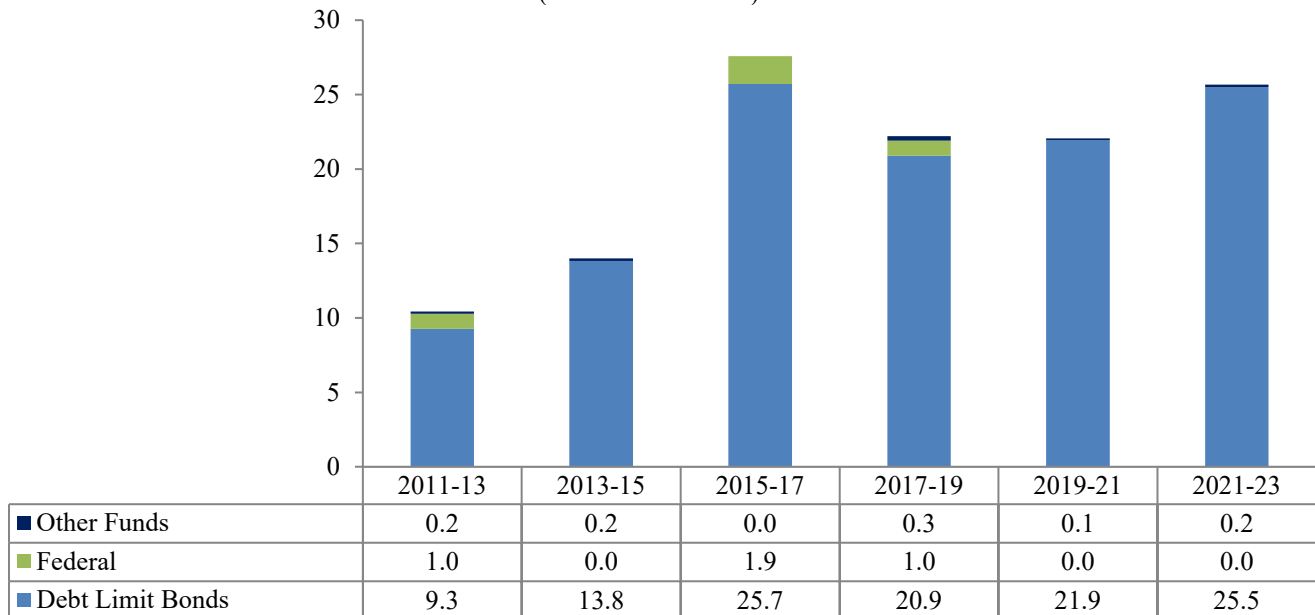
Major Capital Grant and Loan Programs

Grant/Loan Program	Brief Program Description	Eligible Organizations	2021-23 Total Program Appropriation (Dollars in Millions)
Conservation Reserve Enhancement Program	Federal and state funded grants that restore streamside habitat for salmon and protect habitat for 10-15 years. The grant program supports pre-project design and management, technical assistance during project implementation, and provides oversight and maintenance for five years after planting.	Landowners	4.0
Improve Shellfish Growing Areas	Grants to conservation districts to implement voluntary natural resource enhancement projects on private land to improve water quality in shellfish growing areas and to address ocean acidification. Funding supports pre-project design and management, including engineering, cultural resource review, and technical assistance during project implementation.	Conservation Districts	3.5
Match for Regional Conservation Partnership Program	Grants for matching federal funds received by conservation districts for federally approved Regional Conservation Partnership Program (RCPP) projects. The RCPP is a United States Department of Agriculture program originating with the 2014 federal Farm Bill. The RCPP funds projects to increase the restoration and	Conservation Districts	7.0

Grant/Loan Program	Brief Program Description	Eligible Organizations	2021-23 Total Program Appropriation (Dollars in Millions)
	sustainable use of soil, water, wildlife, and related natural resources on regional or watershed scales.		
Natural Resource Investments	Grants to private landowners to voluntarily work with conservation districts to develop and implement best management practices that address natural resource problems. The State Conservation Commission directs program funds to conservation districts, which then use this funding to assist participating landowners.	Conservation Districts	4.0
Water Irrigation Efficiencies Program	Grants to increase the efficiency of on-farm water application and conveyance systems. The saved water is returned to drought-prone streams that are home to Endangered Species Act-listed fish species.	Landowners	2.0

State Conservation Commission Capital Budget Appropriations History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Department of Fish and Wildlife

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

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

- Owned: 1,231 (1.5 million square feet)
 - Examples: Office space, laboratories, hatcheries and hatchery-related facilities, equipment and feed storage, utility buildings, housing and bunkhouses, garages, animal rearing facilities.
- Leased: 49 (189,900 square feet)
 - Examples: Office space, hatcheries and hatchery-related, storage, utility buildings, and laboratory.

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

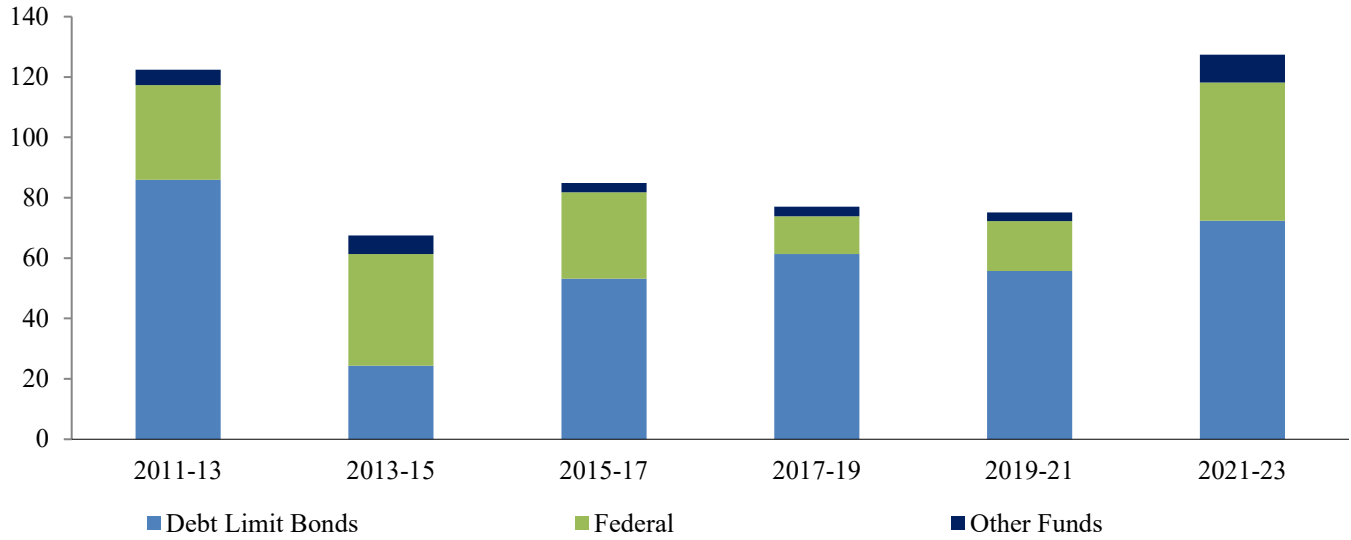
Land:

- Owned: 687,500 acres
- Leased or managed: 363,800 acres

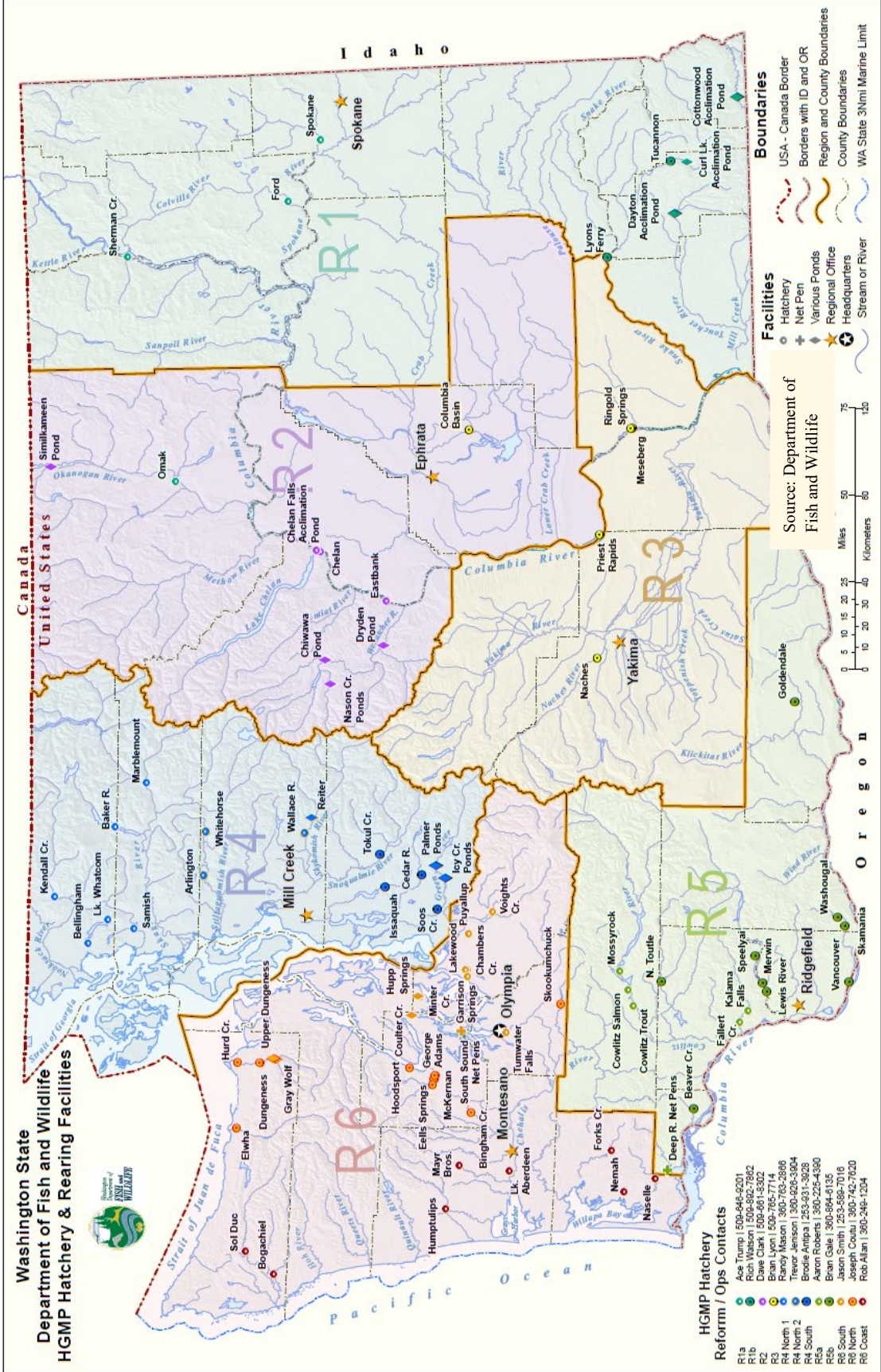
Capital Budget Focus: The DFW's capital budget projects typically focus on:

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

Department of Fish and Wildlife Capital Budget Appropriations History (Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.



Department of Natural Resources

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

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

- Owned: 600 (1.9 million square feet)
 - Examples: equipment, seed, and fuel storage, office space, fire stations, communications sites, crew quarters, and recreation-related facilities.
- Leased: 28 (91,000 square feet)
 - Examples: fire stations, communications sites, office space, and facilities related to aviation.

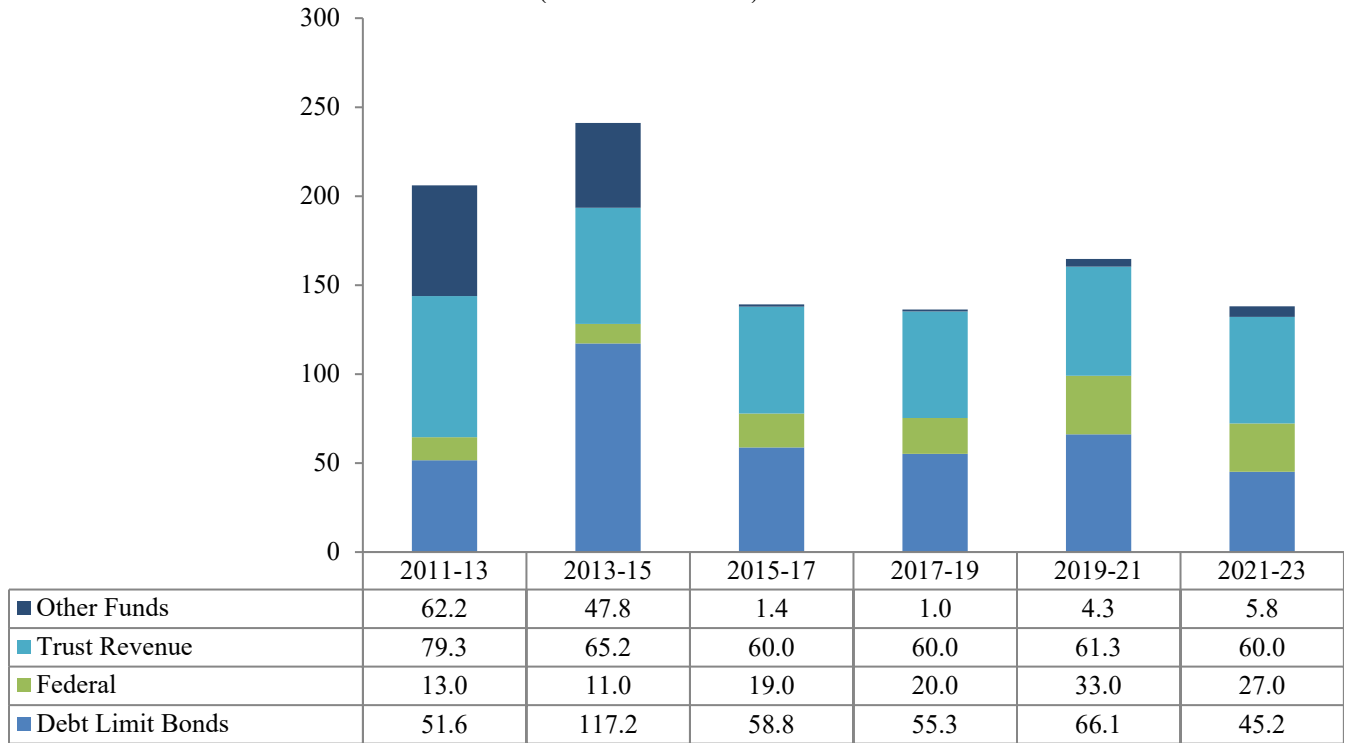
The DNR maintains six upland regional offices (Forks/Olympic, Castle Rock/Pacific Cascade, Enumclaw/South Puget Sound, Ellensburg/Southeast, Colville/Northeast, and Sedro-Woolley/Northwest) and three aquatic district offices (Sedro-Woolley/Orca Straights, Enumclaw/Shoreline, and Castle Rock/Rivers).

Land:

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

Department of Natural Resources Capital Budget Appropriations History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Major Capital Programs Administered by the Department of Natural Resources

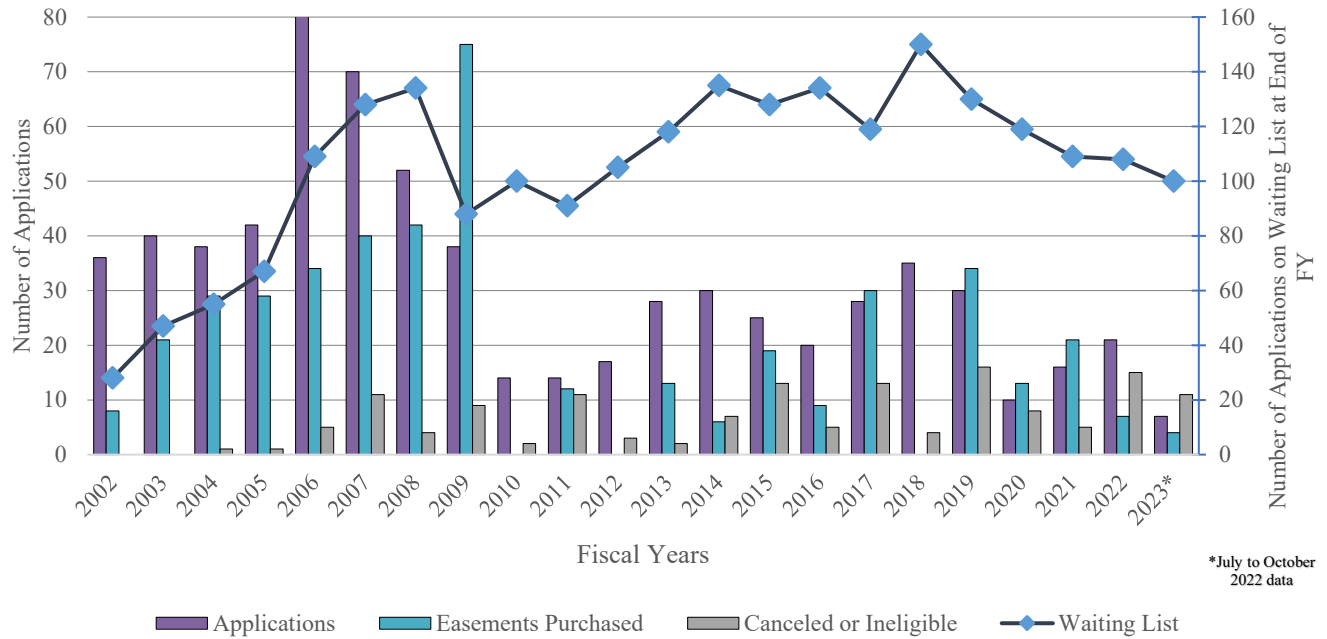
Forestry Riparian Easement Program

The Forestry Riparian Easement Program (FREP) purchases 50-year conservation easements along riparian areas from family forest landowners. The Legislature created the FREP in 2001 to compensate family forest landowners for the disproportionate financial impacts of the Forest Practices riparian rules as modified by the Forests and Fish law. The FREP was designed to compensate family forest landowners for 50-89 percent of the value of the trees required to be left next to streams, wetlands, or other riparian areas which they are prohibited from harvesting by the Forest Practices Rules.

Establishing 50-year forest riparian easements facilitates compliance with the Clean Water Act and helps maintain small forest lands on the landscape which also aids in the restoration of Puget Sound. In 2021-23 the Legislature appropriated \$6 million to fund FREP easements through the capital budget and an additional \$5 million through the 2022 Supplemental Operating Budget.

The following graph and table display FREP funding levels, the number of applications received, easements purchased, and the cumulative program waiting list since 2002.

Forestry Riparian Easement Program Project Status by Year



Source: Department of Natural Resources, October 2022.

Trust Land Transfers

Trust Land Transfers (TLT) are capital budget proviso mechanisms that have been used over time to transfer kindergarten through grade 12 school trust lands with low income potential, but high recreational and environmental value, to other public agencies, while reimbursing the Common School Trust for the value of the land and associated timber. Using this mechanism, such trust lands are transferred into protected status and the school trust is compensated without actually harvesting the timber.

The TLT mechanism functions in the following manner:

1. Each biennium, the DNR identifies a list of low income-producing properties with high recreation or conservation values for consideration by the Board of Natural Resources and the Legislature as candidates for trust land transfer.
2. If the list is authorized and funded in the capital budget bill, the trust lands are transferred to public agencies at appraised market value.
3. At transfer, the capital budget directs the timber value to be deposited in the Common School Construction Account where it becomes available for school construction within the current biennium.
4. The land value is deposited into the Real Property Replacement Account for the purchase of replacement lands with higher income producing potential to be managed by the DNR to provide current and future income for the Common School Trust.

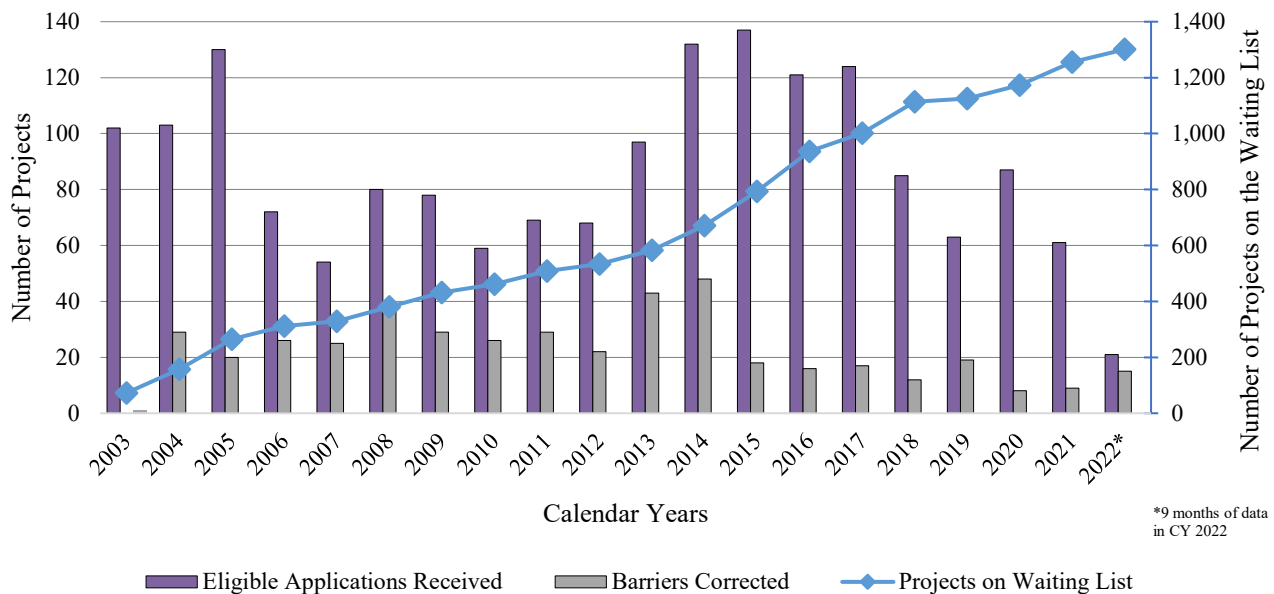
- The lands transferred out of trust status are managed for conservation, wildlife habitat, or recreational purposes.

Over time, TLTs have been implemented solely through proviso language in the capital budget. The provisions of the mechanism are not codified elsewhere in state law. In 2021-23 the Legislature appropriated \$75,000 through the capital budget to fund stakeholder work by a group of trust land beneficiaries and stakeholders to develop a recommended process for the way trust land transfer proposals are developed and implemented. In the 2022 Supplemental Operating Budget an additional \$200,000 was appropriated for the continuation of this work and for completing a trust land transfer project in Jefferson County.

Family Forest Fish Passage Program

The Forests and Fish rules enacted in 2001 require fish passage barriers to be corrected on all forest lands. Fish barriers are often undersized culverts or other structures on forest road crossings over streams. The Family Forest Fish Passage Program (FFFPP) offers financial and technical assistance to small forest landowners to eliminate fish passage barriers on their forest roads. This cost-share program funds 75 percent to 100 percent of the costs and aids in the restoration of threatened and endangered fish habitat and the restoration of Puget Sound water quality. Since 2003, 1,301 small forest landowners have participated in FFFPP, replacing 448 barriers and opening more than 1,176 miles of stream for salmon and trout. In 2021-23 the Legislature appropriated \$6.0 million for FFFPP projects through the capital budget.

**Family Forest Fish Passage Program
Project Status by Year**



Source: Department of Natural Resources, October 2022.

Rivers and Habitat Open Space Program

The Legislature originally created the Riparian Open Space Program in the Forest Practices Act to offset harvest restrictions to forest landowners resulting from the protection of channel migration zones required under the Forests and Fish rules. The Legislature subsequently amended the ROSP to also compensate landowners for forested critical habitat protections required to be protected under the Forest Practices rules (mostly for Northern Spotted Owl and Marbled Murrelet habitat).

Managed as the Rivers and Habitat Open Space Program, the program provides financial compensation to forest landowners for:

- perpetual conservation easements on riparian forests in channel migration zones, the areas where a river could migrate or change channels; and
- critical habitats for threatened or endangered species protected under the Forest Practices Rules.

In exchange for granting a perpetual conservation easement, landowners receive 100 percent compensation for the timber that cannot be harvested. Since the Rivers and Habitat Open Space Program began, a total of 23 easements have been purchased encompassing 1,147 acres of channel migration zones and 144 acres of critical habitat for state listed threatened or endangered species. In 2021-23 the Legislature appropriated \$1.4 million for Rivers and Habitat Open Space Program projects through the capital budget.



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

Department of Agriculture

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

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

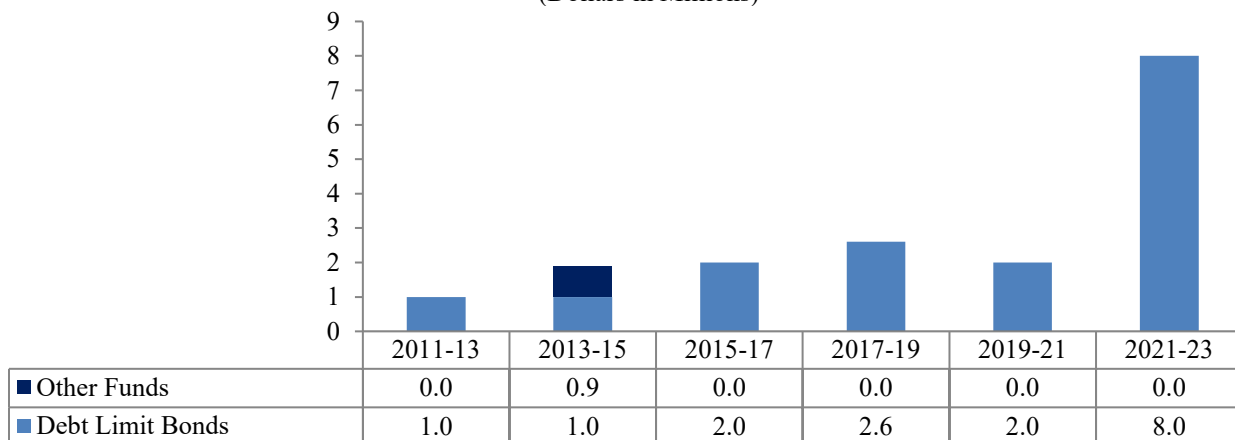
- Owned: 11 at Moxee quarantine station (12,900 square feet)
- Leased: 38 (130,800 square feet)
 - Examples: inspection facilities, laboratories, grain elevators, an animal services warehouse, and various types of storage.

Major Capital Grant and Loan Programs

Grant/Loan Program	Brief Program Description	Eligible Organizations	2021-23 Total Program Appropriation (Dollars in Millions)
Safety and Access at Fairs	Grants for local governments and nonprofit organizations to support capital projects that make health or safety improvements to agricultural fairgrounds or fair facilities in order to benefit participants and the fair-going public.	Cities, Counties, Non-Profit Organizations, Towns	8.0

Department of Agriculture Capital Budget Appropriations History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Washington Pollution Liability Insurance Program

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

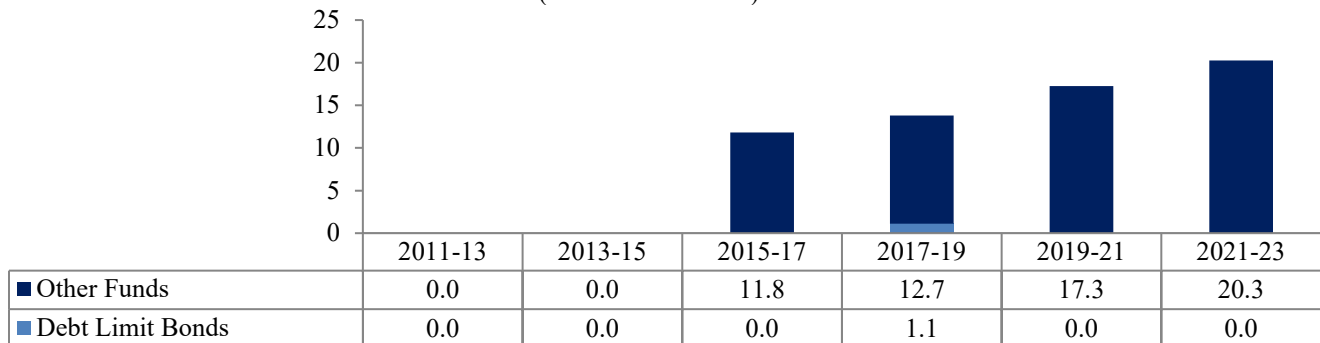
Facilities: PLIA headquarters is located at a leased facility in Olympia.

Major Capital Grant and Loan Programs:

Grant/Loan Program	Brief Program Description	2021-23 Total Program Appropriation (Dollars in Millions)
Heating Oil Tank Program	The Heating Oil Loan and Grant Program provides up to \$75,000 for heating oil tank owners to collect critical data about their site and clean up releases, upgrade, replace, or remove heating oil tank systems to prevent future releases, and install new infrastructure. Eligible applicants must own the property where the heating oil tank is located or provide written consent from the property owner.	8.0
Underground Storage Tank Program	The Underground Storage Tank (UST) Grant and Loan Program provides UST owners and operators access to capital to replace or upgrade aging fuel systems to prevent leaks and dispense modern fuels; clean up historic or ongoing contamination caused by UST leaks; and adapt old stations for the changing transportation fuel market, including the installation of alternative fueling infrastructure such as electric vehicle charging stations. As of September 2021, PLIA is temporarily not accepting new applications.	12.0

Washington Pollution Liability Insurance Program Capital Budget Appropriations History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Relevant Organizations to the Functional Area

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

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

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

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

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

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

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

Higher Education



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

Overview of Higher Education

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

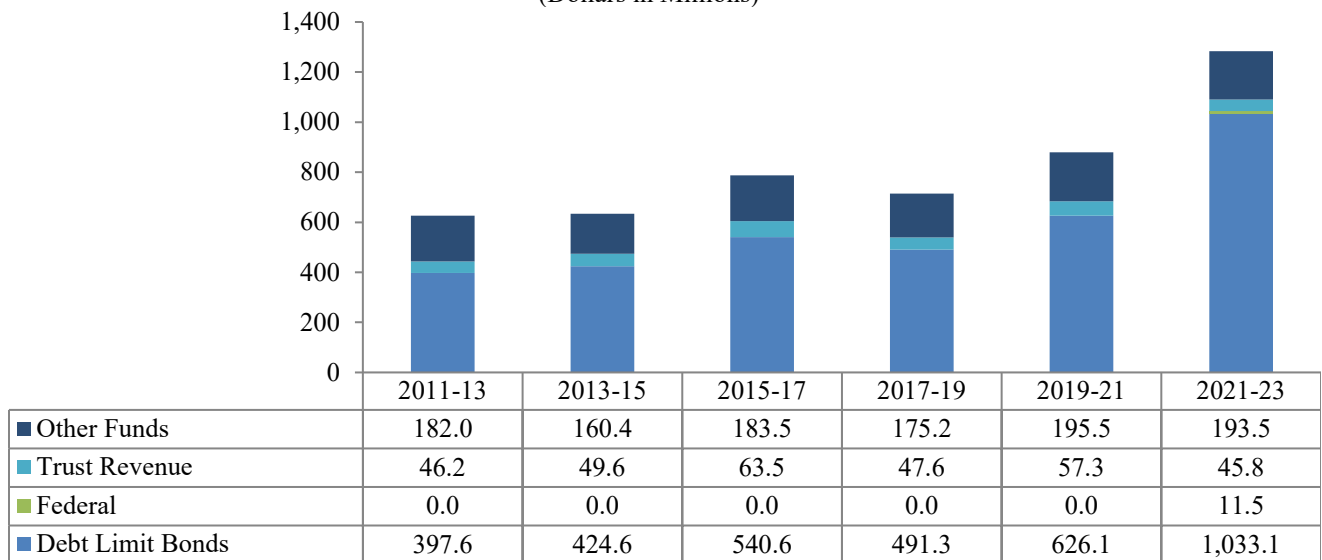
Access: Adequate facilities are necessary to provide students access to education. This has been a priority of the Legislature over the last decade. Access is provided primarily through new and renovated facilities on campuses.

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

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

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

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



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Higher Education Institutions

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

*33 of 34 institutions offer selected bachelor's degrees or are in the approval process. Bates College did not offer a bachelor's degree at the time of publication.

Higher Education Facility Planning and Prioritization

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

Project Prioritization: The Legislature has created, or directed the development of, various methods to guide capital appropriation decisions by rating and ranking all major capital projects for public four-year institutions. This section summarizes recent legislative actions related to these methods, beginning in 2015.

In 2015 the Legislature included a capital budget provision directing the OFM to form a four-year prioritized capital project list technical work group with staff from the Office of Program Research, Senate Committee Services, the four-year institutions, and the Council of Presidents. The work group reported its findings and recommendations in December 2015. Recommendations included proposed statutory changes to eliminate redundancies and contradictions in competing statutes.

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

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

The 2018 Supplemental Capital Budget also provided an appropriation of \$150,000 to fund the study, which was first published in 2019 and then revised in 2020 ([2019 Higher Education Facility Study](#)).

Through this directive and the related study, the OFM modified the major project scoring criteria and developed a prioritization matrix for decision makers to use to produce single prioritized project lists. Proposed projects are now scored within one of the following six project categories, each according to their primary purpose: growth, renovation, replacement, research, infrastructure, and acquisition. The OFM provides scored project matrices to legislative staff in preparation for each biennial budget process

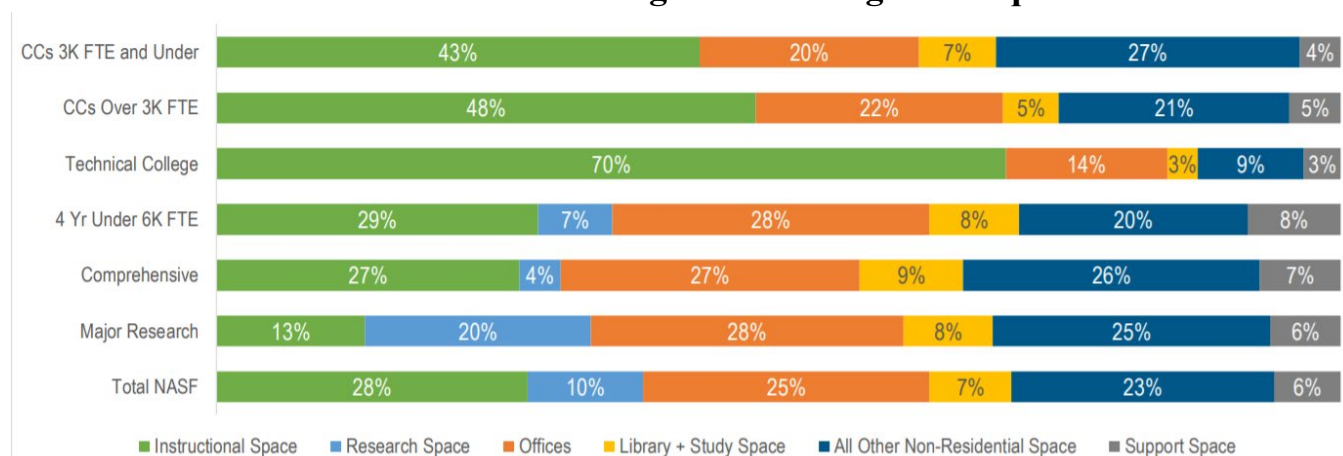
to assist in analyzing higher education capital project submissions. However, this directive does not require the Governor or Legislature to develop, or adhere to, a prioritized list of higher education capital projects for a given budget cycle.

Institutional Space Distributions: The 2019 Higher Education Facility Study, referenced above, also provides recent space classification data that summarizes the distribution of net assignable, non-residential space types across higher education institutional groupings. Residential space, hospital space, and leased space were not included in this study.

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

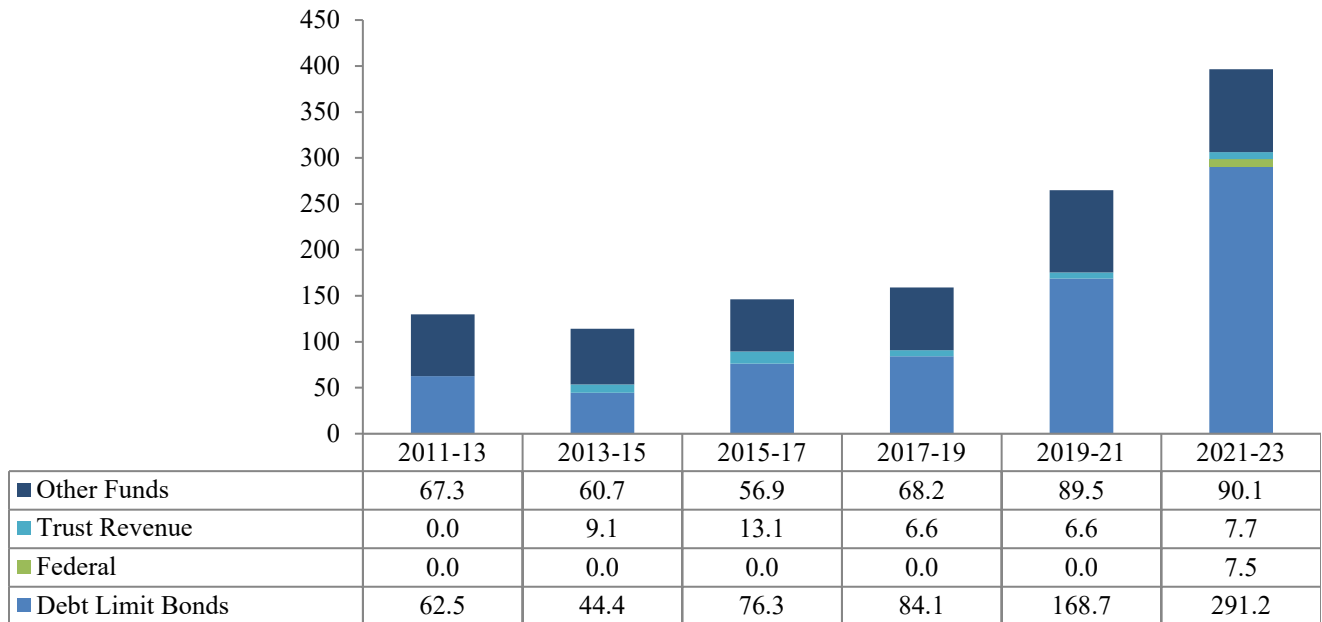
Space Summary Category	Community Colleges (3,000 FTE and Under)	Community Colleges (Over 3,000 FTE)	Technical College	Four Year (Under 6,000 FTE)	Comprehensive	Major Research	Total NASF
Instructional Space	739,356	2,749,326	549,150	687,524	1,030,163	1,606,380	7,361,899
Research Space				159,148	139,800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

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



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

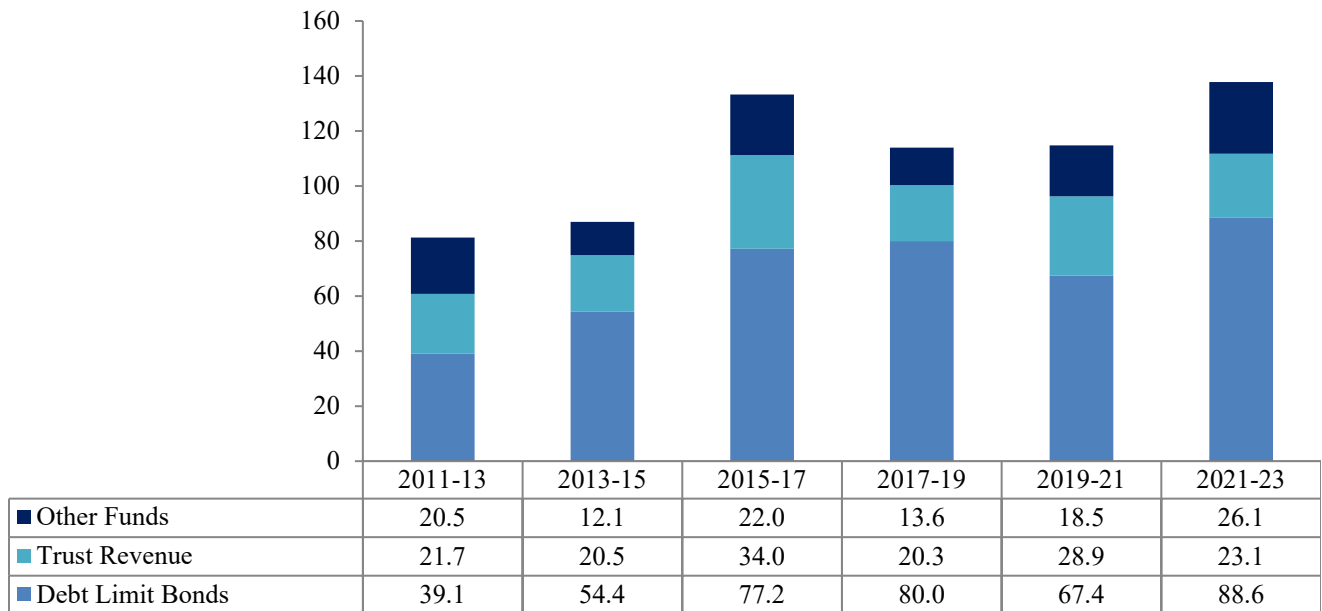
University of Washington Capital Budget Appropriations History (Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Washington State University

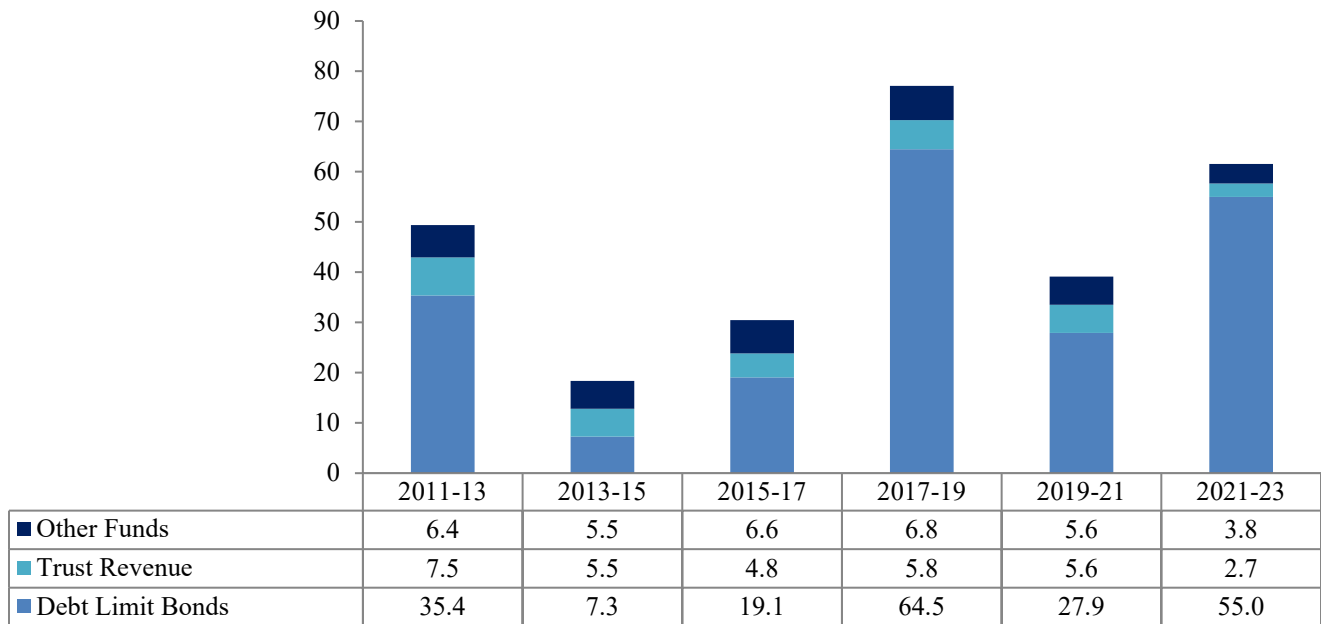
Washington State University Capital Budget Appropriations History (Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Eastern Washington University

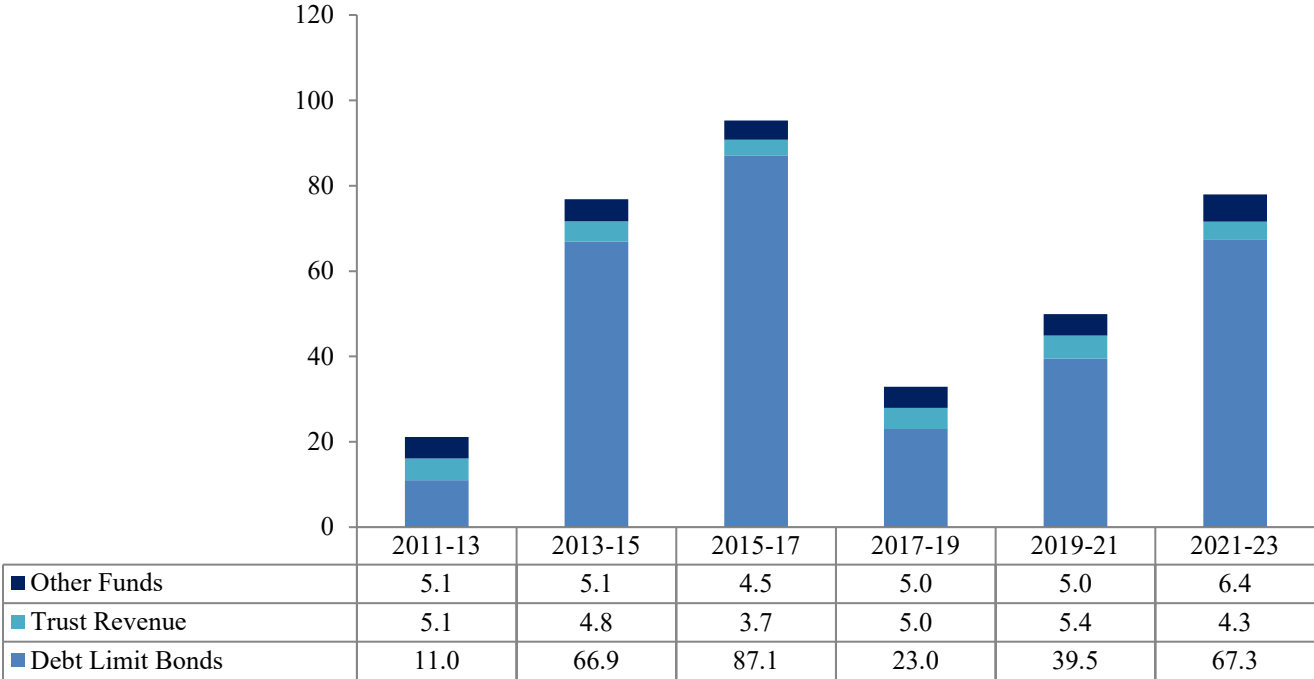
Eastern Washington University Capital Budget Appropriations History (Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Central Washington University

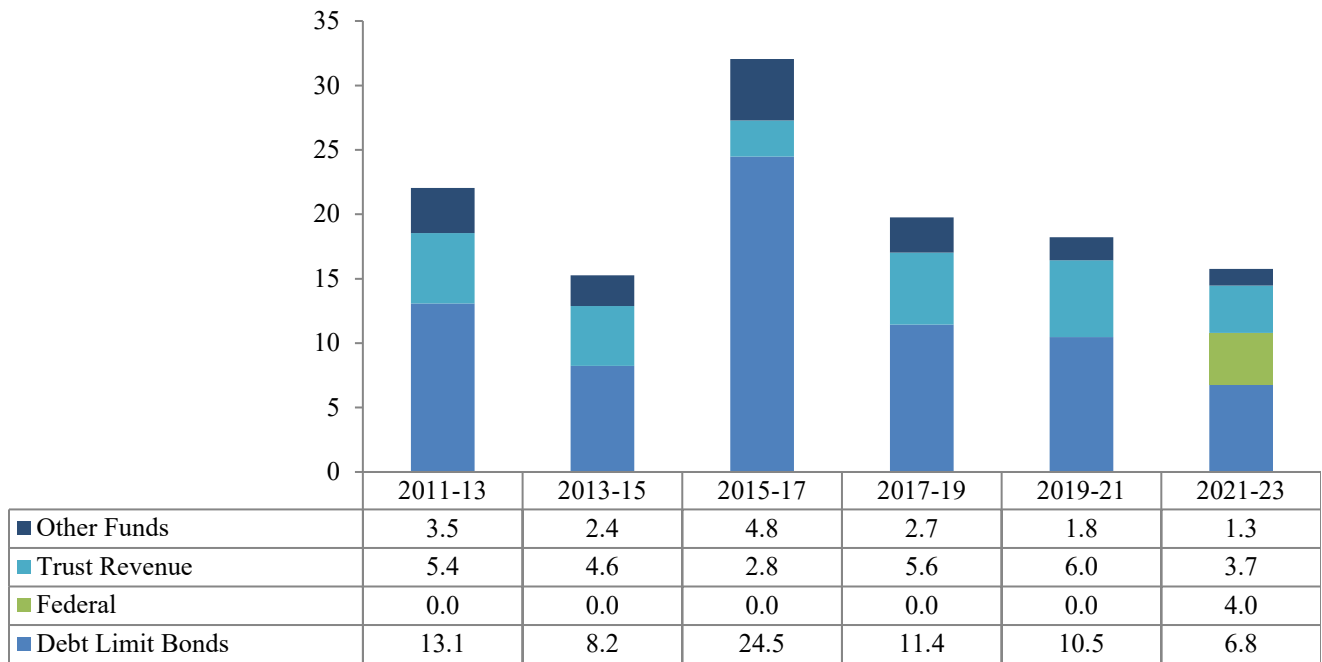
Central Washington University Capital Budget Appropriations History (Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

The Evergreen State College

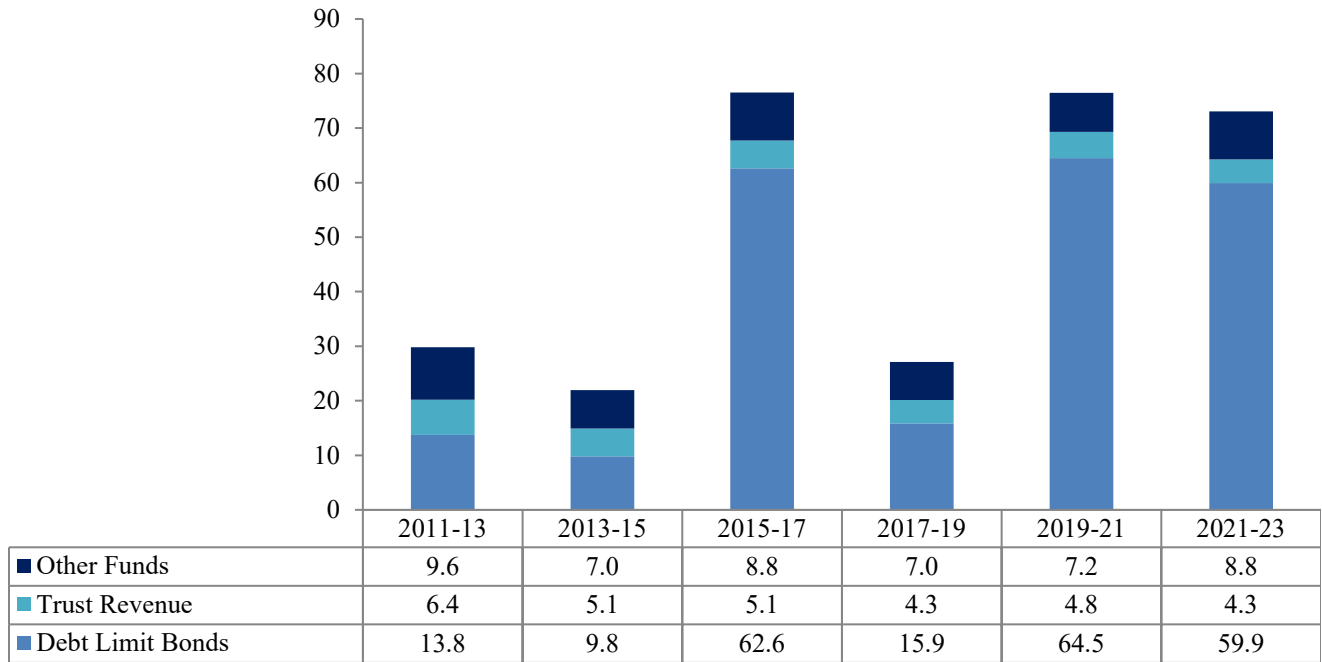
The Evergreen State College Capital Budget Appropriations History (Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Western Washington University

Western Washington University Capital Budget Appropriations History (Dollars in Millions)

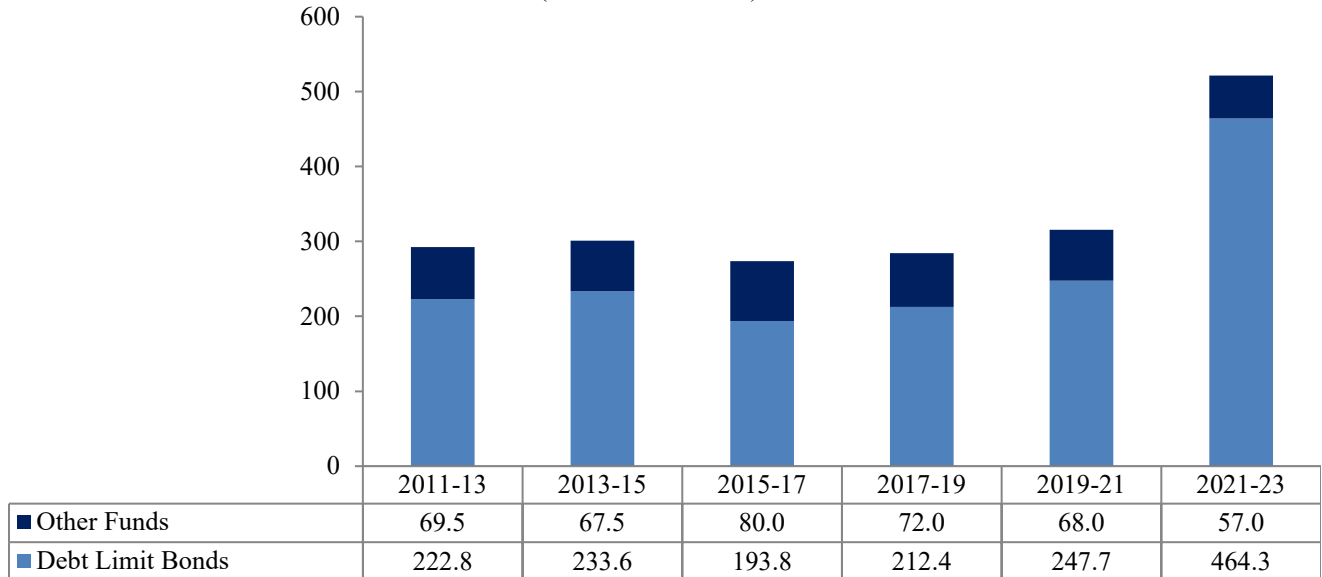


Source: Legislative Evaluation and Accountability Program Committee, December 2022.

State Board for Community and Technical Colleges

State Board for Community and Technical Colleges Capital Budget Appropriations History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Major Capital Grant and Loan Programs

Grant/Loan Program	Brief Program Description	Eligible Organizations	2021-23 Total Program Appropriation (Dollars in Millions)
CTC Career Prep and Launch Equipment Grants	Competitive grants to community and technical colleges to purchase and install equipment that expands career-connected learning opportunities.	Public Community and Technical Colleges	5.0

Prioritizing Two-Year Higher Education Capital Projects

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

In recent biennia, the Legislature has generally followed the State Board's requested prioritization for major project proposals, funding requests in two phases (design and construction funded in separate biennia). However, the 2021-23 Capital Budget directed the State Board to examine alternative methods of prioritizing and presenting its capital budget request for the 2023-25 biennium. In response, the State Board studied this issue and recommended that the Legislature appropriate both design and construction-phase funding for major capital projects in a single biennium. Subsequently, the 2022 Supplemental Capital Budget requires the State Board to submit a single prioritized request with minor projects above major projects and with all the funding needed for projects' design and construction included in a single biennium. However, all projects that received funding for design only in the 2019-2021 or 2021-2023 biennia must receive priority over new major project requests in the State Board's request for the 2023-25 biennium.

Relevant Organizations to the Functional Area

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

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

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

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

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

Education

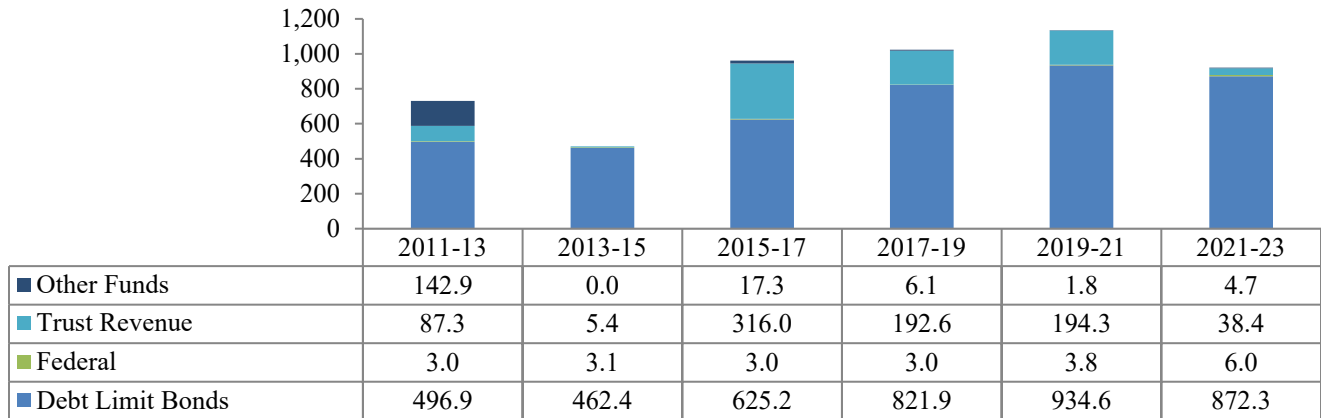


*Construction of Lynndale Elementary School in Edmonds School District.
(Photo Credit: Legislative Support Services)*

Overview of Education

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

Education
Capital Budget Appropriations by Fund Source
 (Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022. The amounts above include the Public Schools and Arts Commission entities which are not depicted in individual functional area charts below.

Office of the Superintendent of Public Instruction

Agency Description: The Office of the Superintendent of Public Instruction (OSPI) is the primary agency charged with overseeing public kindergarten through grade 12 (K-12) education in Washington. OSPI works with the state's 295 public school districts and 7 state-tribal education compact schools to allocate funding and provide tools, resources, and technical assistance. The agency also administers several K-12 school construction programs that are funded through the Capital Budget.

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

Major Capital Grant and Loan Programs

Grant/Loan Program	Brief Program Description	2021-23 Total Program Appropriation (Dollars in Millions)
Agricultural Science in Schools Grant to FFA	Competitive grants administered by the Future Farmers of America (FFA) Foundation to furnish equipment for agricultural science instruction.	2.0
Career Preparation and Launch Equipment Grants	Competitive grants of no more than \$150,000 for school districts to purchase and install career and technical education equipment that expands work-integrated learning opportunities.	2.0
Healthy Kids, Healthy Schools Grants	Comprised of three separate grant programs: (1) grants to school districts for the purchase of equipment or to make repairs to existing equipment that is related to improving children's physical health and nutrition and may not exceed \$200,000 for any one school district; (2) grants to school districts, charter schools, and state-tribal education compact schools, for the replacement of lead-contaminated pipes and drinking water fixtures; and (3) grants to public schools, charter schools, and state tribal education compact schools for the removal, disposal, and replacement of T-12 lighting fixtures and ballasts manufactured in or before 1979 with energy efficient LED lighting.	6.6
School District Health and Safety	Funds for the following grant types: (a) emergency grants for unexpected and imminent health and safety hazards at K–12 public schools, including skill centers, which will impact the day-to-day operations of the school facility; (b) nonrecurring urgent small repair grants at K-12 public schools, excluding skill centers, that could impact the health and safety of students and staff if not completed; and (c) equal access facilities grants for K-12 public schools, including skill centers.	8.9

Grant/Loan Program	Brief Program Description	2021-23 Total Program Appropriation (Dollars in Millions)
Small District and Tribal Compact Schools Modernization	Competitive construction and planning grants to small public school districts and state tribal compact schools to repair or replace significant building systems in K-12 school facilities. Small district modernization grants for school districts may not exceed \$5 million in total cost for the 2023-25 application cycle.	49.7
School Seismic Safety Grant Program	Grant funding for schools in high seismic hazard areas, built before 1998 and not retrofitted to 2005 seismic standards. An amount of \$8.6 million is set aside for 2019-21 projects that were previously identified by the OSPI as very high risk.	100.0

School Construction Assistance Program

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

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

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

SCAP funding is also provided to school districts who plan for construction and modernization of school facilities and is based on five main factors:

- the district's education plan;
- enrollment projections;
- an evaluation of existing facilities;
- a measure of the district's financial capabilities; and
- a long-range plan to achieve these goals.

SCAP funding is provided for the following project costs:

- architect and engineering fees;
- construction management;
- value engineering studies and constructability reviews;
- building commissioning;
- furniture and equipment;
- energy conservation reports;
- inspection and testing;
- preparation of school district studies, surveys, and educational specifications;
- project signs and plaques;
- construction of school facilities; and
- art as required by statute for "Art in Public Places."

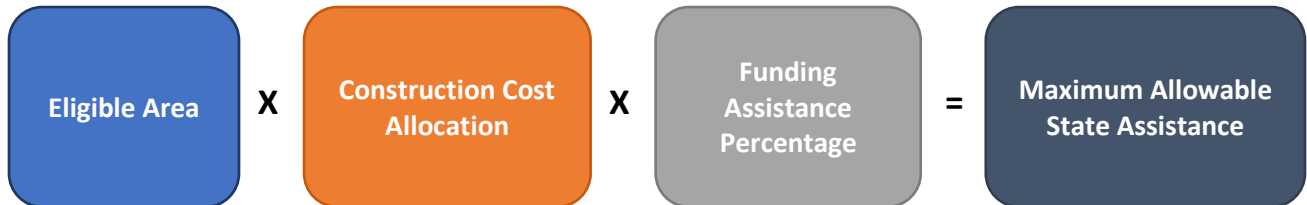
The SCAP does not pay for all costs related to a school district project. Costs not eligible for state assistance include, but are not limited to, the following:

- area in excess of the space allocations per student;
- construction costs above the construction cost allocation;
- off-site work (traffic mitigation and right-of-way development);
- site acquisition costs;
- maintenance and operations costs (including deferred maintenance);
- central administration buildings;
- stadiums and grandstands;
- bus garages, except interdistrict cooperatives;
- sales and/or use taxes levied by local government agencies other than those taxes generally levied throughout Washington; and
- portable classrooms.

School districts receiving state assistance must expend the total amount of their local share for the project before receiving state funds for the construction project. Though the state contributes funds for school construction, local school districts control the design and construction of their schools. Ultimately, school districts receiving state funding assistance for school construction retain those facilities as their own assets. When a school district receives a SCAP grant, as well as state funding for a project through the Small District and Tribal Compact Schools Modernization or School Seismic Safety programs, the OSPI may streamline administrative and procedural SCAP requirements to coordinate the grants.

Calculating State School Construction Assistance Program Assistance

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



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

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

2. Construction Cost Allocation: The Construction Cost Allocation (CCA) is the maximum cost per square foot of construction that the state will match. The CCA is established biennially through the capital budget development process and does not reflect the actual cost of construction paid by the school districts. After the eligible square footage is determined, the CCA is applied to determine the maximum construction dollar amount eligible for state assistance for new construction and modernization. In the 2021-23 Capital Budget, the CCA was set at \$242.26 per square foot for fiscal year 2022 and adjusted for construction inflation at \$246.83 per square foot for fiscal year 2023.
3. State Funding Assistance Percentage: The amount of state funding assistance available to the eligible project cost is determined by applying the state funding assistance percentage. Applying this percentage in the formula equalizes funding by providing a higher percentage of assistance to school districts whose assessed land value per student is relatively low. The state funding assistance percentage ranges from an established floor of 20 percent to a ceiling of 100 percent for the school districts with lowest assessed land values per student.

Finally, other allowable related costs are added. These include architect and engineering fees, construction management, value engineering studies, furniture and equipment, energy conservation reports, and inspection and testing.

Permanent Common School Fund and Common School Construction Fund

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

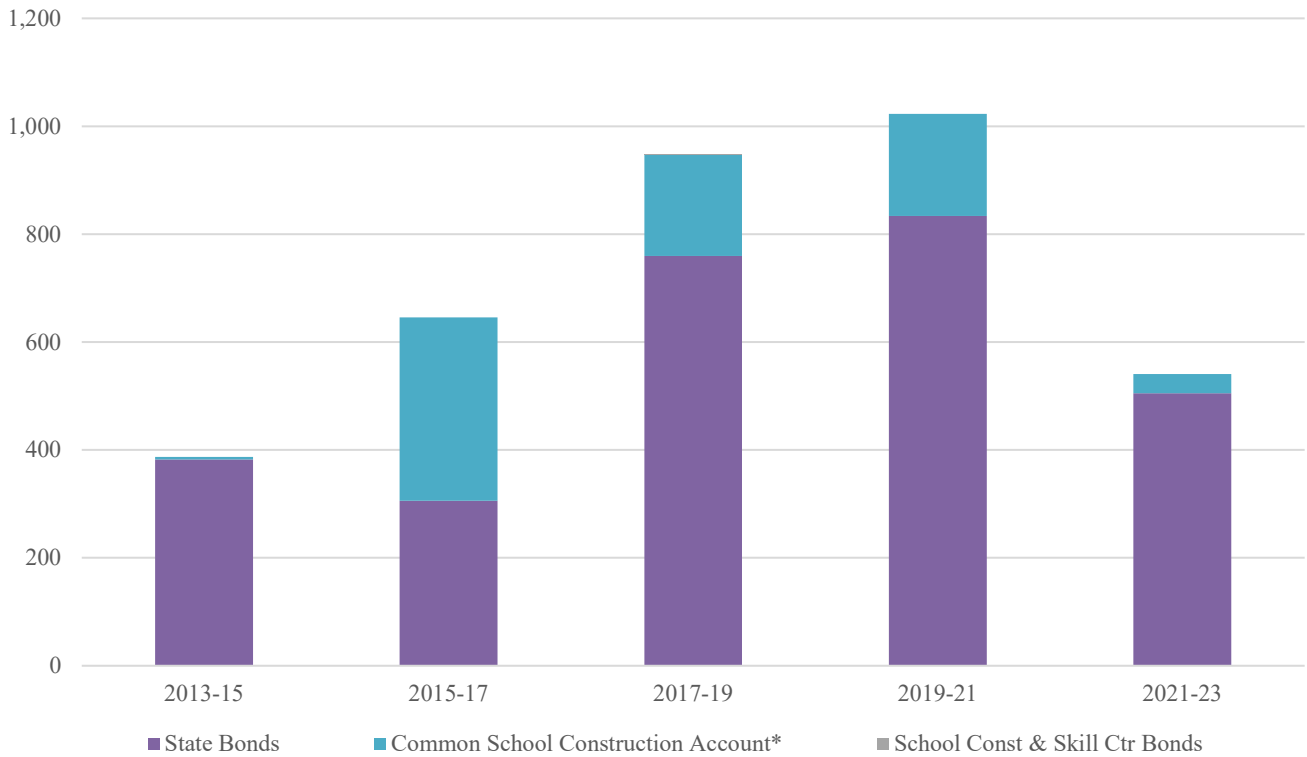
Prior to 1967 state assistance for school facilities was paid from a variety of sources. Until 1951 the State General Fund was used to pay the state share of school construction. Between 1951 and 1967 the state share of school facilities was provided by state bonds supported by cigarette and motor vehicle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

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

The Permanent Common School Fund: This fund was created in the original Washington Constitution, and it received all the income from the sale of school trust lands and non-renewable resources from the trust lands. The principal of the Permanent Common School Fund (PCSF) is irreducible, and only the interest income from the investment of the permanent fund was available for payment of current expenses for the common schools. The 1967 amendment dedicated the use of the interest income to school construction and to pay debt service on state bonds used for school construction. According to the Washington State Investment Board's most recent Annual Report Audited Financial Statements, the total market value for the PCSF for the fiscal year ending June 30, 2021, was \$269.4 million. The principal in the fund remains irreducible and the interest income is deposited into the Common School Construction Fund (CSCF).

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

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



Source: Office of Program Research, October 2022.

**Common School Construction Account (CSCA) appropriations are composed of Common School Trust timber revenues in the current biennium, as well as assumed Common School Trust timber revenues in future biennia. Investment income, bond proceeds from the Trust Land Transfer program, and some federal revenue also are included in the CSCA appropriation.*

Small District and Tribal Compact Schools Modernization Program

The Small District and Tribal Compact Schools Modernization Program provides planning and construction grants for small school districts and tribal compact schools with significant building deficiencies. Projects are evaluated and ranked by an advisory committee of facilities professionals. The prioritization process must achieve the greatest improvement of school facilities in the districts and state-tribal education compact schools with the most limited financial capacity for projects likely to improve student health, safety, and academic performance for the largest number of students for the amount of state grant support.

Participation is limited to school districts and tribal compact schools with total enrollments of 1,000 students or fewer. No local cost share is required of districts, but grants may be coordinated with SCAP funding. Although the related statutes do not limit the scope of modernization projects funded through this program, the work funded has generally modernized parts of school facilities. Examples of typical projects include heating, ventilation, air conditioning, electrical, and roofing improvements. The 2021-23 Capital Budget contains provisions that limit program participation for the 2023-25 biennium to projects with a state funding level of \$5 million or less. In the 2021-23 biennium, a total of \$49.7 million was appropriated for this program through the capital budget.

School Seismic Safety Grant Program

The School Seismic Safety Grant Program was created under Substitute Senate Bill 5933 in the 2022 Legislative Session. The program provides planning and construction grants for school districts and state-tribal compact schools for remediation of seismic or tsunami hazards in qualifying buildings. A qualifying building must be in a high seismic or tsunami hazard area, as determined by various seismic or tsunami risk standards. A qualifying building must also have been constructed prior to 1998 and cannot have received a seismic retrofit to 2005 seismic standards.

Projects are evaluated and ranked by an advisory committee of facilities professionals with experience in seismic remediation. The prioritization process must achieve the greatest improvement of school facilities in the districts and state-tribal education compact schools with the most limited financial capacity for projects likely to improve student health, safety, and academic performance for the largest number of students for the amount of state grant support. Examples of remediation projects funded through this program could include: (1) seismic retrofit of existing buildings; (2) school relocation and replacement; and (3) tsunami evacuation towers. Grants awarded through this program must equal at least two-thirds of the total project cost. The 2022 Supplemental Capital Budget appropriated \$100 million for this program, with \$8.6 million of this amount set aside for 2019-21 school seismic retrofit projects that were previously identified by the OSPI as very high risk.

Impact of Recent School Policy Changes on the K-12 Capital Budget

Beginning in 2009 and culminating in major legislation enacted in 2017 (Engrossed House Bill 2242), the Legislature has enacted a number of modifications to the state's operating K-12 funding formulas. Because these changes include all-day kindergarten, kindergarten through third grade class size reduction, and increased science credit requirements, they affect the need for classroom and lab space.

In an order issued during the period of judicial supervision of K-12 operating budget funding under the *McCleary* lawsuit, the state Supreme Court noted that the *McCleary* ruling did not address school construction or suggest that the state's Article IX duty to amply fund K-12 schools also included a duty to fully fund school construction. The Court explained that the constitution establishes roles for both the state and for school districts in school construction finance.

However, the Legislature has made several capital investments for classroom and lab spaces to support some of these school policy reforms. In 2015, the Legislature established the K-3 Class Size Reduction Construction Grant program and provided a total of \$234 million for the program to be spent over the 2015-17 and 2017-19 biennia for an estimated additional 500 classrooms. Since the 2015-17 biennium, the Legislature has provided more than \$44.6 million for individual science, technology, engineering, and mathematics (STEM) projects as well as competitive grants for science classrooms and labs.

Skill Centers

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

Before a new skill center campus can receive state capital funding, it must be approved by the OSPI. Existing skill centers must complete long-range plans before making a major capital budget request. Skill center campuses can be of three types: a core campus operated by the skill center and housing a majority of the skill center students enrolled; a branch campus at a common school or higher education facility providing three or more programs at a location other than the core campus; and a satellite program providing fewer than three programs at a location other than the core campus.

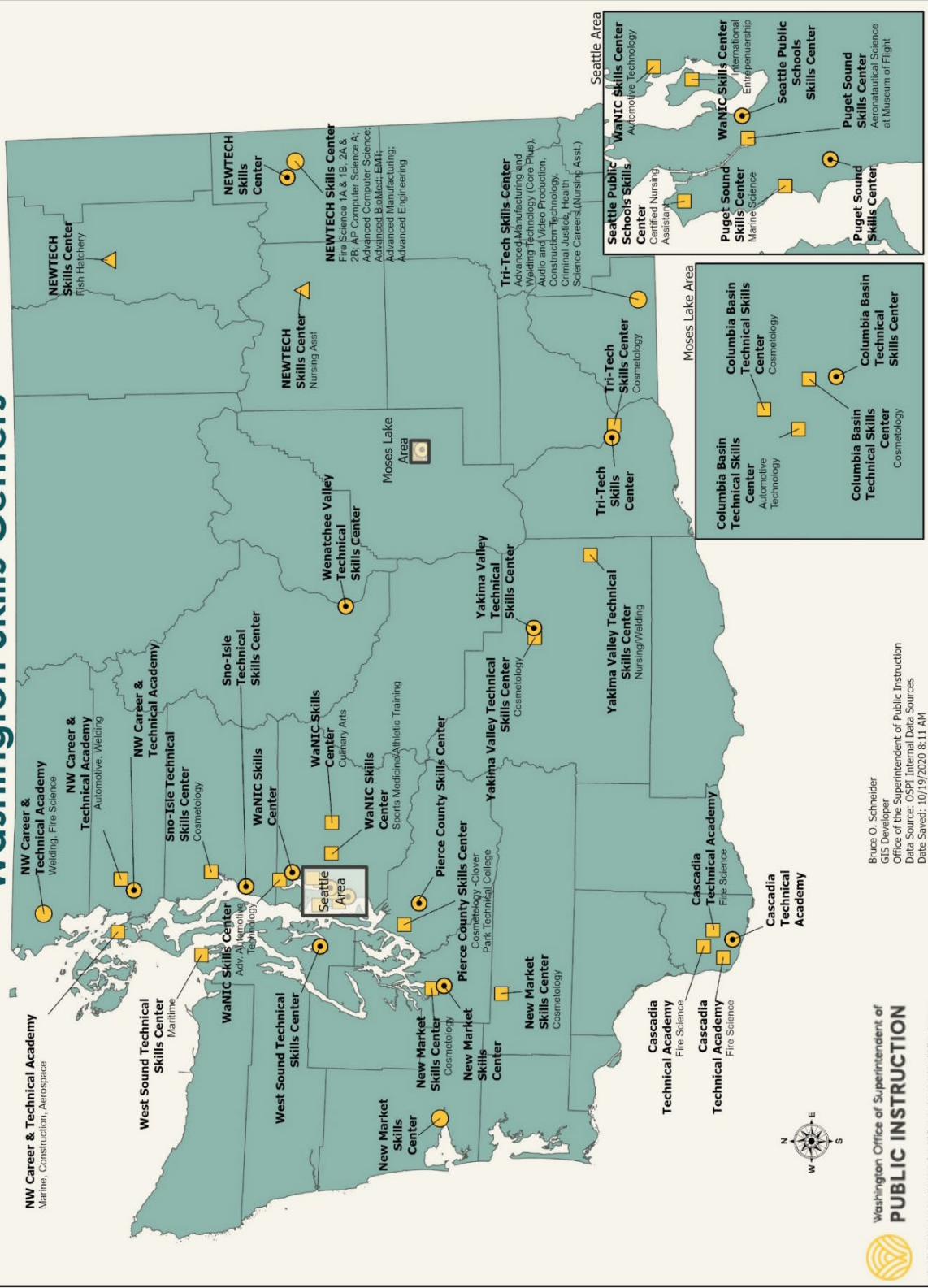
Approximately 8,384 students are currently enrolled in 17 skill centers or skill center branches statewide. Over the most recent five biennia (2013-15 through 2021-23), the Legislature has provided an average of approximately \$21 million per biennium in grants for skills center capital projects.

Skills Centers Capital Budget Appropriations History (Dollars in Millions)



Source: Office of Program Research, October 2022.

Washington Skills Centers



Bruce O. Schneider
 GIS Developer
 Office of the Superintendent of Public Instruction
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Washington Office of Superintendent of
PUBLIC INSTRUCTION



State School for the Blind

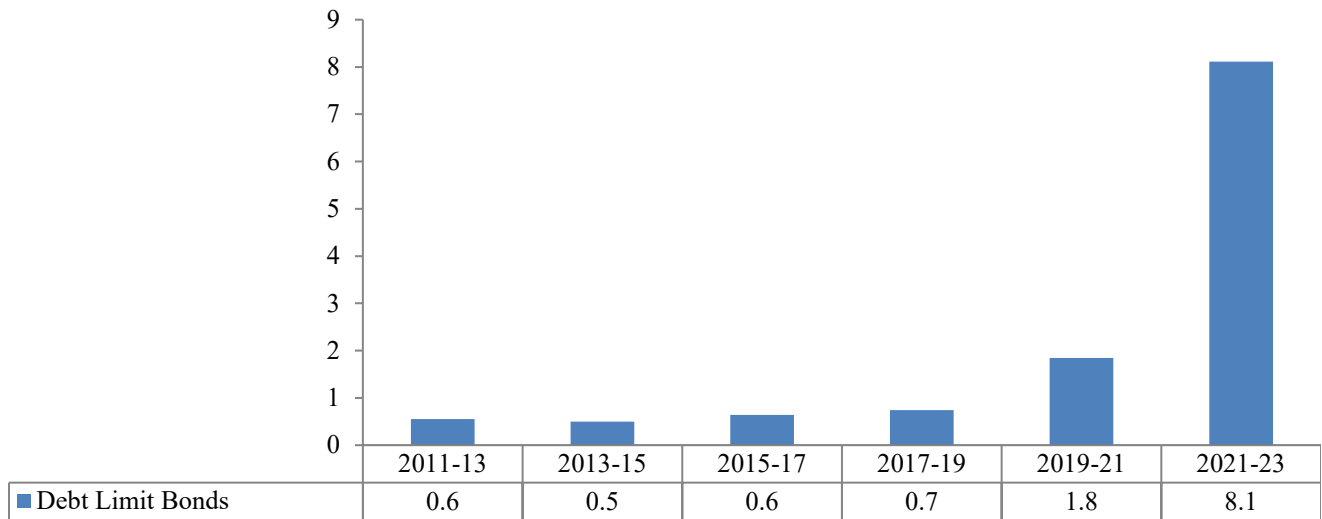
Agency Description: The Washington State School for the Blind (WSSB), established in 1886, provides specialized educational services for blind and visually impaired youth, from birth to age 21. The WSSB serves as a statewide demonstration and resource center, with services delivered both on campus and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

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

- Owned: 13 (156,200 square feet)
 - Five residential facilities (23,300 square feet)
 - Four educational facilities (68,400 square feet)
 - Three support facilities (21,000 square feet)
 - One office facility (43,500 square feet)

In the 2021-23 biennium, the legislature provided \$7.6 million for the construction phase of the Independent Living Skills Center, which will serve staff and students of a residential training program for young adults who are blind and visually impaired.

**State School for the Blind
Capital Budget Appropriations History**
(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Center for Deaf and Hard of Hearing Youth

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

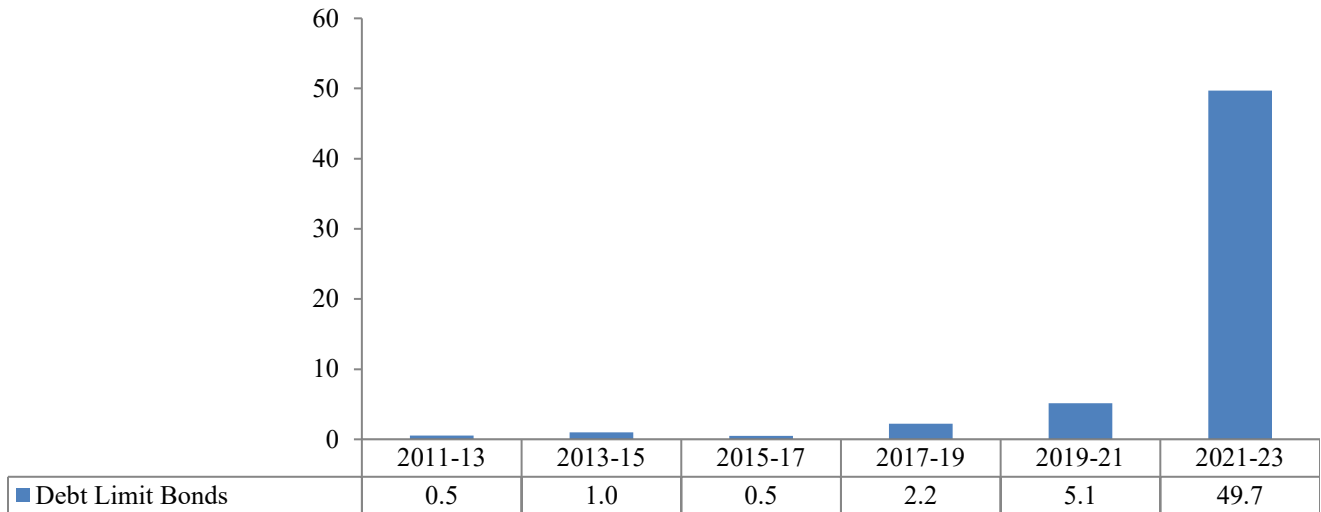
Facilities: The CDHY and the WSD are located on a 17-acre campus in Vancouver, Washington.

- Owned: 12 (189,900 square feet)
 - Five educational facilities (92,100 square feet)
 - Three residential buildings (27,000 square feet)
 - One auditorium (13,100 square feet), office facility (53,400 square feet), play-shed (3,900 square feet), and shop space (400 square feet)

In the 2021-23 biennium, the Legislature provided \$49.4 million for the construction phase of the Academic and Physical Education facility at the Washington School for the Deaf campus.

Center for Deaf and Hard of Hearing Youth Capital Budget Appropriations History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Washington State Historical Society

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

Facilities:

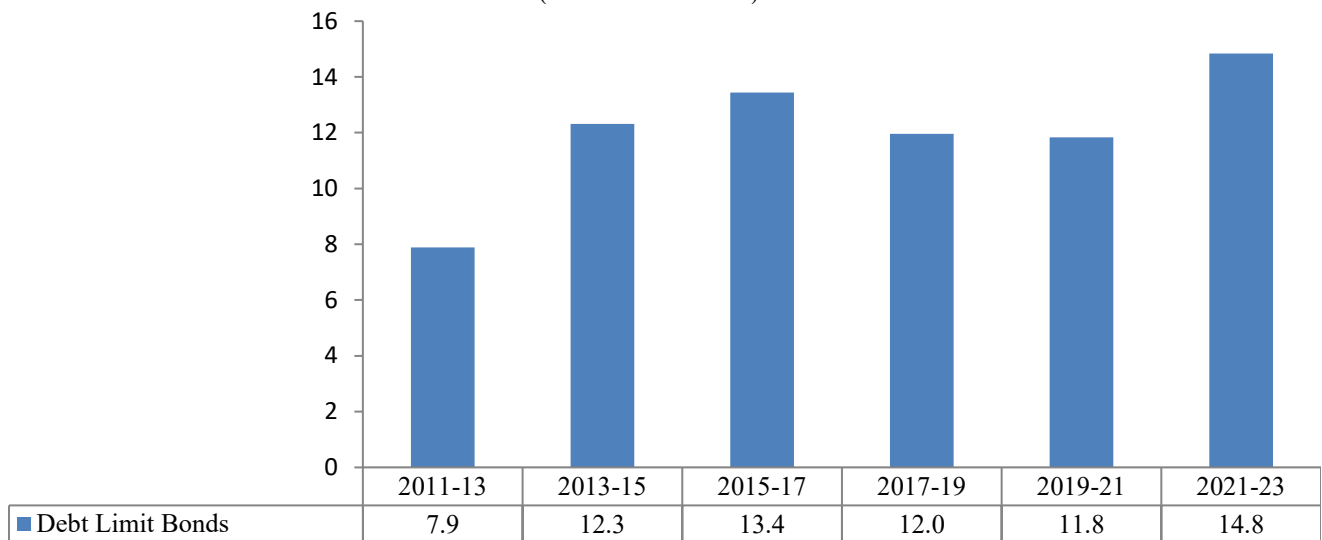
- Owned: 2 (166,400 square feet)
 - Washington State History Museum (104,400 square feet)
 - Research Center (62,000 square feet)

Major Capital Grant and Loan Programs

Grant/Loan Program	Brief Program Description	Eligible Organizations	2021-23 Total Program Appropriation (Dollars in Millions)
Heritage Capital Projects	Competitive grants for capital projects at publicly accessible facilities that interpret and preserve Washington’s history and heritage.	Cities, Counties, Non-Profit Organizations, Other, Port Districts, Towns, Tribes	8.8

Washington State Historical Society Capital Budget Appropriations History

(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

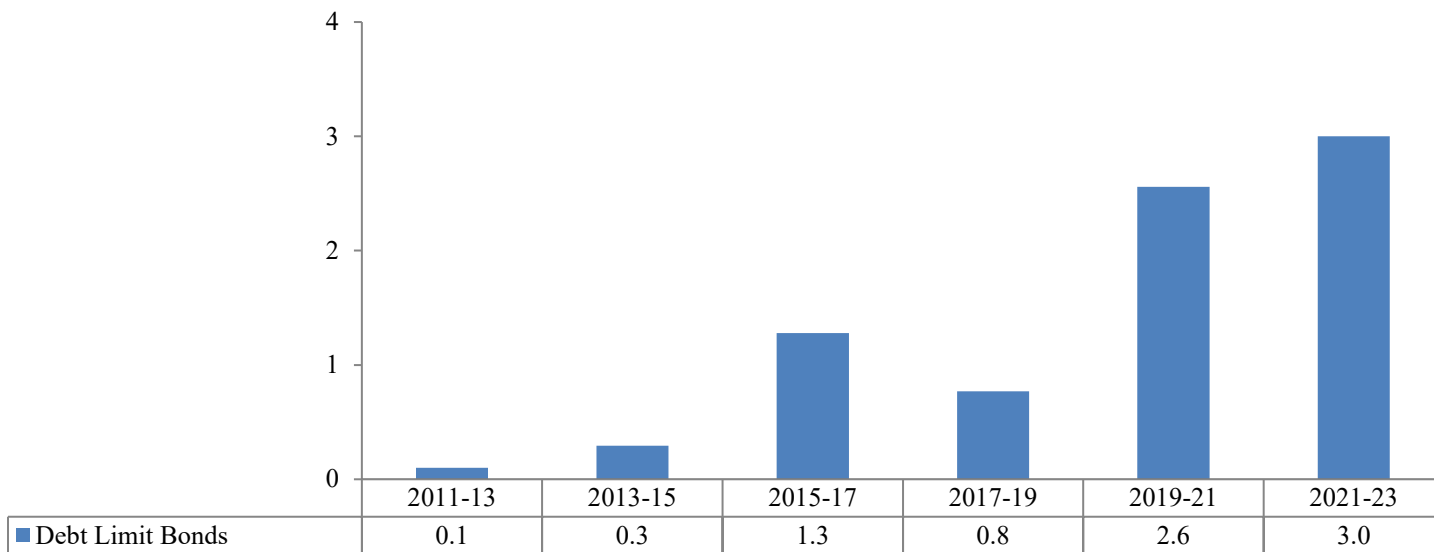
Eastern Washington State Historical Society

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

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

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

**Eastern Washington State Historical Society
Capital Budget Appropriations History**
(Dollars in Millions)



Source: Legislative Evaluation and Accountability Program Committee, December 2022.

Relevant Organizations to the Functional Area

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

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

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

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

State Historical Societies (RCW 27.34): The Washington State Historical Society and the Eastern Washington Historical Society are provided numerous, identical statutory powers and duties related to the state's history, among which are (a) collecting, cataloging, preserving, and interpreting objects, manuscripts, sites, photographs, and other materials illustrative of the cultural, artistic, and natural

history of this state; and (b) operating state museums and assisting and encouraging cultural and historical studies and museum interpretive efforts throughout the state. In addition, the Washington State Historical Society is responsible for establishing and administering the Heritage Capital Program, as described in the "Washington State Historical Society" section.

HOUSE CAPITAL BUDGET COMMITTEE STAFF ASSIGNMENTS - 2022 Interim

as of 11/4/2022

Kelci Karl-Robinson, Coordinator -- (360) 450-6365
 Dawn Eychaner, Fiscal Analyst -- (360) 464-9789
 John Wilson-Tepeli, Fiscal Analyst -- (360) 529-5278
 Kristen Fraser, Counsel -- (360) 339-7561
 Tanya Carter, Developer-Analyst -- (360) 786-7619
 Kimberly Stringfellow, Committee Assistant -- (360) 786-7306

Kelci Karl-Robinson (360) 450-6365

Committee Issues

Committee and Budget Coordination
 Bond Model
 Local and Community Projects
 Public Works Contracting

Education

Washington Historical Society
 Eastern Washington Historical Society

General Government

Department of Enterprise Services
 Department of Commerce
 – Housing, Early Learning and Behavioral Health
 Office of Financial Management

Human Services

Department of Social and Health Services

Natural Resources

Conservation Commission
 Pollution Liability Insurance Agency

Dawn Eychaner (360) 464-9789

Committee Issues

Climate Change/Clean Energy/
 Energy Efficiency
 Local Government Infrastructure

General Government

Court of Appeals
 Dept. of Archaeology & Historic Preservation
 Department of Commerce
 – Energy, Broadband, and Infrastructure
 Department of Labor and Industries
 Military Department
 Office of the Insurance Commissioner
 Secretary of State
 Washington State Patrol

Human Services

Criminal Justice Training Commission
 Department of Children, Youth, and Families
 Department of Corrections
 Department of Health
 DSHS - Special Commitment Center (SCC)
 Department of Veterans' Affairs
 Employment Security Department

Natural Resources

Department of Ecology
 Puget Sound Partnership

John Wilson-Tepeli (360) 529-5278

Committee Issues

Higher Education Prioritization Process
 K-12 School Construction

Education and Higher Education

Superintendent of Public Instruction
 University of Washington
 Washington State University
 Eastern Washington University
 Central Washington University
 The Evergreen State College
 Western Washington University
 Community and Technical Colleges
 School for the Blind
 Center for Childhood Deafness and Hearing Loss

Natural Resources

Department of Agriculture
 Department of Fish and Wildlife
 Department of Natural Resources
 Recreation and Conservation Office
 State Parks and Recreation Commission

Kristen Fraser (360) 339-7561

Legal Issues Related to Capital Budget

Debt Limit
 Special Legislation
 Lending of Credit/Gift of Public Funds