



2009-11 Capital Budget Outlook

July 11, 2008

Prepared by Tom Saelid, Office of Financial Management



Current Deficit Projections for 2009-11 State Budgets

- Omnibus Budget (Operating) (\$2.5 billion)
- Transportation Budget (\$1 billion)
- Capital Budget (\$400 million)

Projected Capital Budget Bond Capacity

(Dollars in Thousands)

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

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

Six-Year Plan Comparison

State Bonds Only

2007-09 Enacted Capital Budget Plus Bowwave Scenario


	Enacted 2007-09	2009-11	2011-13
Higher Education	796	1,008	729
K-12 Construction Assistance Grants	110	426	482
Skills Centers	79	114	66
Prisons	151	80	172
Housing Assistance	187	130	130
WWRP	100	100	100
CTED Local/Community Projects	153	TBD	TBD
Chehalis River Basin	50	0	0
All Other	629	505	414
Total	2,255	2,362	2,092
Projected Debt Capacity	2,255	1,988	1,983
Difference	0	(374)	(109)

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



In 2009-11, this state bond bowwave scenario does not include construction funding for:

- **Reauthorization of Higher Education Bonds**
- **New Branch Campus in North Puget Sound**
- **K-12 Enhancements**
- **New Local Government Infrastructure or Economic Development Initiatives**
- **Community Projects**
- **Any Other New Initiative**



In 2009-11 biennium more than \$2 billion of other funds are also used to pay for capital investments

- **Lottery Revenues**
- **Toxics (including barrel tax)**
- **Fees to support Public Works**
- **Savings from state government operations**
- **Timber Revenues**
- **Certificates of Participation**



Other Legislative Initiatives

- **ESHB 2366 – Facility Oversight**
 - n Modified Predesigns
 - n Life – cycle cost analysis
 - n Six year plans
 - n Facilities Inventory Report

- **SHB Bill 3329 – Higher Education Scoring**
 - n Scoring of projects in 5 categories
 - n Study of alternative revenue sources



Other Capital Changes

- **New Capital Budget System**
- **Budget Evaluation Studies**
- **Update of Predesign Manual**



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