



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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April 2, 2019

Honorable David Frockt, Vice Chair, Capital Budget
Honorable Jim Honeyford, Assistant Ranking Member, Capital Budget
Senate Ways & Means Committee
P.O. Box 40482
Olympia, WA 98504-0482

Honorable Steve Tharinger, Chair
Honorable Richard DeBolt, Ranking Member
House Capital Budget Committee
P.O. Box 40600
Olympia, WA 98504-0600

Dear Senators Frockt and Honeyford and Representatives Tharinger and DeBolt:

I commend you for your efforts in introducing bipartisan 2019-21 capital budgets in your respective committees and look forward to continuing discussions with you as you work on a final budget. As this work progresses, I want to share a few general observations and concerns with the budgets proposed by the House and Senate.

Over the past decade, as the capital budget focused more resources on K-12 education, funding for projects at state-run institutions has diminished to a critical state. There are substantial pent-up needs for both capacity and preservation projects at our human services institutions. Both of these needs are the result of long-term underfunding and are difficult to correct in a single biennium. Based on the House and Senate proposals, we are concerned the Governor's 2023 timeline to cease civil admissions at Western State Hospital and Eastern State Hospital may not be achievable.

In addition, the lack of funding for the residential habilitation centers (RHCs) poses ongoing risks to certification and substandard living conditions for clients in the state's care. In building the Governor's proposed budget, funding for behavioral health and the RHCs was a top priority. Recognizing the budget pressures you face, I respectfully ask you to consider additional funding for these critical state facilities.

Projects that support clean energy continue to be a high priority for Governor Inslee this session. Funding for the state's Clean Energy Fund supports grid modernization, development of clean energy technology, and the state's solar incentive program. Accelerating investments in energy efficiency and low-carbon technologies for buildings will not only reduce pollution but also provide long-term cost containment on energy bills. The total clean energy investments in your budgets are 50 percent below Governor Inslee's proposal. Please also consider these projects when working toward a compromise budget.

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Thank you for your consideration. OFM continues to work with legislative fiscal staff on technical and policy issues identified by agencies, our staff, and others. Please let me know if I can be of assistance to you on any of these issues.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Schumacher', with a long horizontal line extending to the right.

David Schumacher
Director

cc: Richard Ramsey, Capital Budget Coordinator, Senate Ways and Means Committee
Melissa Palmer, Coordinator, House Capital Budget Committee
Jim Crawford, Assistant Director for Budget, OFM
Jen Masterson, Senior Budget Assistant, Capital Budget, OFM
David Postman, Chief of Staff, Office of the Governor