



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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April 7, 2021

**TO:** Honorable David Frockt, Vice Chair and Capital Budget Lead  
Honorable Jim Honeyford, Assistant Ranking Member, Capital Budget  
Senate Ways & Means Committee

Honorable Steve Tharinger, Chair  
Honorable Mike Steele, Ranking Member  
House Capital Budget Committee

**FROM:** David Schumacher  
Director

**SUBJECT: OFM CONCERNS WITH SENATE AND HOUSE 2021-23 BIENNIAL AND 2021 SUPPLEMENTAL CAPITAL BUDGETS**

I commend you for your efforts to move forward your respective 2021-23 biennial capital budgets. There are several significant areas where our budgets are closely aligned. As Governor Inslee has shared with you, he sees the capital budget as an opportunity to support communities across the state by creating jobs and stimulating the economy. Both budgets meet these goals, especially in the Senate version.

As you continue your deliberations, we respectfully raise the following concerns and observations with the Senate and House budgets.

**Housing**

As you know, the magnitude of unsheltered homelessness in Washington – individuals and families living on the streets, in cars and other places unfit for human habitation – continues at an unacceptable level. Because of the importance of the enhanced shelter capacity grant program, which the Senate did not fund and the House only funded at \$25 million, additional funding is needed in both budgets. The rapid conversion of existing properties into homeless or emergency shelters, permanent supportive housing, or affordable housing for low-income individuals will help address the needs of our unsheltered population.

We also ask the Senate to fund, either in the capital or operating budgets, the \$47 million in 2019-21 Housing Trust Fund obligations from last year’s operating budget. The failure to reauthorize these funds would result in the Department of Commerce withdrawing contracts that are already awarded and will slow our progress in addressing the housing crisis.

**Climate and Clean Energy**

We ask that you boost investment levels for the weatherization plus health program, energy retrofits for public buildings program, and clean energy program. Reaching our state’s climate goals requires steep reductions in greenhouse gas emissions. Please fund these efforts at or above the House level.

**Green Hill School Recreation Building**

We are concerned that the House does not fund the final construction phase for a new recreation building at Green Hill School. This project will provide a code and Prison Rape Elimination Act compliant recreational building for the Department of Children, Youth, and Families’ oldest and highest risk youth.

### **Firecrest School**

A new nursing facility at Firecrest for individuals with intellectual and developmental disabilities is one of the governor's highest capital budget priorities this session. The House proposal is favorable because it explicitly outlines the intent to site a 120-bed single-story nursing facility on the Madrona site and a future 48-bed behavioral health site on the adult training program (ATP) site.

We ask that the compromise budget fund the renovation of Building 66 as the future home for the ATP. Active treatment for clients is a requirement of the federal Centers for Medicaid and Medicare Services. Relocation of the ATP to a temporary space on the campus is unacceptable and could put the Department of Social and Health Services' federal funding at risk. Please keep in mind the proposed Building 66 project would provide active treatment for not only clients in the intermediate care facilities but also outpatient specialty services to clients with intellectual and developmental disabilities living in the community.

### **Trueblood Phase 2 – King County Regional Facilities**

Both budgets include \$8 million for the Department of Commerce for two 16-bed facilities in the King County region, one in the city of Seattle and one in south King County, as part of the Trueblood settlement agreement. Both King County and Disability Rights Washington have expressed concerns that this amount may not be sufficient to fully fund the two facilities and believe \$12 million is a more appropriate estimate. Additional funding for these facilities is needed to enable the state to meet the settlement agreement terms.

### **School Seismic Work**

A priority of the Governor is to improve high-risk K-12 school buildings with seismic retrofits and other seismic-related safety improvements to reduce their risk of collapse during major earthquakes. The amount appropriated in the House proposal advances this important work even beyond what was included in the governor's proposed budget.

### **Center for Childhood Deafness and Hard of Hearing Youth – Academic and PE Building**

New academic and physical education facilities at the Center for Childhood Deafness and Hard of Hearing Youth will provide fundamental and specialized educational services. The current facilities are outmoded for specialized education needs and the unreinforced masonry poses a risk during seismic events. The school is about to begin demolition of four abandoned campus buildings and underground utility work that will prepare the site for these new learning facilities. We urge both chambers to fully fund this important project at \$49.6 million, as requested in the errata letter we sent you in January.

### **State Board for Community and Technical Colleges**

Thank you for recognizing the value and importance of investing in state higher education facilities. Funding for the State Board for Community and Technical Colleges list is critical for preserving and modernizing existing facilities, creating new and flexible teaching and learning space, and helping students attain close-to-home degrees and certifications. We request that you strive to support the level of funding in the Senate proposal, which will also support nearly 6,000 construction jobs statewide.

### **Investments in State Facilities**

Over the past decade, funding for projects at our state-run institutions has not kept up with demands. Consequently, there are substantial pent-up needs for repair projects that directly impact vulnerable populations housed or served in state-run institutions. Examples of these projects include the HVAC controls at Eastern State Hospital, fire alarm projects at the Department of Social and Health Services

and the Department of Children, Youth, and Families, and the water tank at the Washington Corrections Center. We ask you to carefully consider adding funds for these projects and others like them.

## **2021 Supplemental**

### **Security: Distributed Antenna System**

We are concerned that the Senate does not provide supplemental funding for a distributed antenna system (DAS) in the Plaza, Department of Transportation, Natural Resources Building and Columbia Street parking garages. There are costs associated with DAS proprietary software and it cannot be installed without \$2 million to fill the funding gap.

Thank you for your consideration. We look forward to continuing discussions with you and your staff as you work toward a final capital budget. We continue to work with your staff on both technical and policy issues identified by agencies, our staff, and others.

cc: Honorable Christine Rolfes, Chair, Senate Ways & Means Committee  
Honorable Lynda Wilson, Ranking Member, Senate Ways & Means Committee  
Richard Ramsey, Capital Budget Coordinator, Senate Ways & Means Committee  
Michael Bezanson, Staff Coordinator, Senate Ways & Means Committee  
Kelci Karl-Robinson, Coordinator, House Capital Budget Committee  
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