



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

February 26, 2026

TO: Honorable Steve Tharinger
Honorable Lisa Callan
Honorable Mike Steele
House Capital Budget Committee

Honorable Yasmin Trudeau
Honorable Mark Schoesler
Senate Ways & Means Committee

FROM: K.D. Chapman-See
Director 

SUBJECT: OFM CONCERNS WITH HOUSE AND SENATE SUPPLEMENTAL CAPITAL BUDGET

Thank you for your continued partnership as we work together to finalize the 2026 supplemental capital budget. We recognize the thoughtful approach of both of your proposals. Governor Ferguson has shared the critical importance of continuing to prioritize increasing affordable housing. We particularly appreciate that both budgets emphasize addressing this challenge head on with significant supplemental budget investments.

This memorandum does not detail every difference between the proposed budgets; rather, it highlights significant areas warranting your careful consideration. We will also submit a variety of specific policy and technical issues to you and your staff. Thank you again for your continued partnership and thoughtful consideration of these concerns.

Housing Trust Fund

Thank you for your significant investment to the Housing Trust Fund Program. As you are aware, housing funding is one of Governor Ferguson's top budget priorities as Washingtonians struggle to find affordable housing. As such, we commend the House on their level of funding and encourage capital budget writers to meet the House funding level.

Minor works

Minor works are flexible appropriations for agencies to address small preservation or programmatic projects, each valued at less than \$2 million (\$4 million for higher education). In the House proposal, agencies received significantly reduced minor works appropriations. Reduced minor works funding hinders the ability of agencies to proactively address emergent issues with their facilities, for example the Department of Enterprise Services' repairs following the recent Legislative Building vandalism. We advise funding these projects at the Senate level.

Capitol Lake/Deschutes Estuary

Funding for this project is needed to complete the design currently underway. Completing design will provide the final cost estimate necessary to accurately inform decision-making and pursue non-state

construction funding. This project will improve water quality, wildlife and plant habitat conditions, climate and flood resilience, and recreational water access and fishing, while supporting regional transportation. Given its importance to the Olympia community and to Tribes in the region, we request the final budget include full funding to complete design, as is included in the House proposal.

Additional Juvenile Rehabilitation Capacity

While we recognize that the latest Juvenile Rehabilitation caseload forecast is improved in the short term, we encourage the Legislature to continue to work with the Department of Children, Youth, and Families, OFM, and the Governor's Office to evaluate options for long-term capacity needs for youth. In the absence of policy changes that divert youth from entering the state's juvenile rehabilitation system, taking no action, as proposed by the Senate, does not prepare for the future and seems imprudent given the recent volatility in this caseload and the impact on youth when state facilities are over capacity.

Green Bank/Washington Builds

Thank you for funding this program, which was initiated in the enacted 2024 budget and has the potential to serve as a long-term legacy of CCA funds. We have strong concerns about how the House's proviso language may add administrative challenges to Green Bank/Washington Builds implementation, particularly the proposal to add numerous legislators to the existing board of directors. It is also imperative that the initial program administration, including start-up costs, is sufficiently funded and less restrictive for the Green Bank/Washington Builds to deliver meaningful results.

2025-27 Salmon Recovery Funding Board Grant Programs

The Senate omits proposed funding necessary for supporting and advancing critical components of salmon recovery, including implementation of salmon recovery plans and locally identified and approved projects. These projects are especially important considering the uncertainty of federal Pacific Coastal Salmon Recovery Funding. Please consider funding at the House level in the final budget.

Bob Oke Game Farm Relocation and Remediation Efforts

If the Legislature proceeds with this direction, the evaluation should include the feasibility of an option to remain at the current site, in addition to relocation. The Department of Fish and Wildlife is committed to managing the game farm responsibly at its current location and would like to evaluate more cost-effective alternatives to relocation.

Port of Woodland

There is no alternative public access point to the Columbia River in that area offering the same level of access or recreational value. There is an active lawsuit that the Port of Woodland brought against the Department of Fish and Wildlife. We do not support transfer of this property, pending outcome of the litigation.

Local and Community Projects and Implementation

We support the Legislature's desire to clarify the process for implementation of local and community projects when it comes to scope change requests outside of legislation. OFM must be included in the proposed notification process.

Thank you for your consideration. We look forward to continuing discussions with you and your staff as you work on the final budget.

cc: Honorable June Robinson, Chair, Senate Ways & Means Committee
Honorable Chris Gildon, Ranking Member, Senate Ways & Means Committee
Michael Bezanson, Staff Coordinator, Senate Ways & Means Committee
John Wilson-Tepeli, Staff Coordinator, House Capital Budget Committee
Robyn Williams, Budget Director, Office of Financial Management
Jen Masterson, Senior Budget Advisor, Office of Financial Management