

## 2024 supplemental capital budget

The \$1.3 billion supplemental capital budget for 2023-25 was passed March 6 by the Legislature. The Senate approved it 46-0 and the House passed it 96-0. It is funded from these sources:

- \$668 million in cap-and-trade/tax (Climate Commitment Act) revenue. (Due to the potential for voters to repeal the CCA through I-2117 this November, the start of most CCA-funded projects is responsibly delayed until Jan. 1, 2025, and they include lapse clauses if voters repeal the CCA.)
- \$308 million in Common Schools Construction Account revenue, including money from the state capital-gains tax. (Because of the potential for I-2109 repealing the state capital-gains tax, this budget responsibly does not assume any capital-gains revenue after fiscal year 2024. If I-2109 is rejected by voters, capital-gains revenue would be available for the 2025-27 state capital budget.)
- \$130 million from standard debt limit bonds.
- \$125 million in federal funds.
- \$24.4 million in Model Toxic Control Accounts.
- \$61.5 million in other dedicated funds.

### Messaging:

- The supplemental capital budget passed by the Legislature does a good job of addressing a wide variety of needs throughout Washington, with funding for projects related to K-12 and higher education, public safety, housing, water infrastructure, behavioral health and more. This budget truly takes a statewide approach.
- If Washington voters decide to repeal cap-and-tax/cap-and-trade and the capital-gains income tax through initiatives, it's important to remember that both revenue sources have existed only for a year. It isn't like the state would be losing long-established revenue sources.
- State government has faced budget and funding challenges before. If former Gov. Gary Locke could use a "Priorities of Government" approach to the state budget over 20 years ago, today's Legislature certainly can, too.

### State supplemental capital budget highlights:

#### Affordable housing

At a time when affordable housing is still a challenge for many people in our state, the supplemental capital budget continues the progress made by the Legislature last year.

- Of the \$128 million in total housing funding, \$127 million goes to the Housing Trust Fund. Within the Housing Trust Fund, the budget includes \$20 million for housing for people with developmental disabilities, \$20 million for unsheltered homelessness grants, \$18 million for homeownership, and other grant programs.



## Behavioral health

The supplemental capital budget provides a total of \$144 million for behavioral health.

- Includes \$82.7 million in behavioral health capacity grants, including \$47 million for tribal behavioral-health centers.
- Offers \$49 million in funding related to the Trueblood settlement agreement related to residential mental health.
- Provides \$4.5 million for the Skagit County Crisis Stabilization Center.
- Provides \$1.5 million for the Columbia Valley Center for Recovery (formerly called the Three Rivers Behavioral Health Center, in the Tri-Cities).

## Higher education

- Provides a total of \$130.7 million for higher-education projects:
  - UW: \$38.9 million in Cap-and-Tax/CCA funding for its energy-renewal program.
  - WSU: \$10 million (Cap-and-Tax/CCA) for the digester at Knott Dairy Center, maker of Cougar Gold cheese; \$3 million (Cap-and-Tax/CCA) for decarbonization planning; and \$1 million for roof repair at the Puyallup Research and Extension Center.
  - CWU: \$12.4 million (Cap-and-Tax/CCA) for the secondary geothermal module project and \$4.5 million (Cap-and-Tax/CCA) for a carbon reduction project in the computer science building.
  - EWU: \$10 million (Cap-and-Tax/CCA) for energy improvements to sports/recreation center.
  - WWU: \$4.9 million for the electric engineering/computer science building.

## K-12 education

The capital budget does a good job of addressing school construction needs across Washington.

- Includes an additional \$114 million for the Small and Tribal School Modernization Program and includes an \$86 million for a new construction projects pool.
- Provides an \$80 million enhancement to the School Construction Assistance Program (SCAP), including increasing the state cost allocation match from \$272 per square foot to \$375 per square foot.
- Provides \$68 million for career and technical education skills centers, including \$46 million for the Tri-Tech Skills Center and \$14.5 million for the Wenatchee Valley Skills Center.

## Natural resources

- Provides \$3.5 million in toxic clean-up funding for homes affected by the Gray and Oregon Road wildfires that hit Spokane County in 2023.
- Provides \$975,000 for Spokane Conservation District to address wildfire recovery.

## Water supply



- Provides \$5.5 million for the Odessa Ground Water Replacement Program (OGWRP) EL 22.1 project.

