
Capital Budget Committee

HB 3191

Brief Description: Increasing the efficiency of state funded capitol projects.

Sponsors: Representatives Dunshee, Miloscia and McIntire.

Brief Summary of Bill
<ul style="list-style-type: none">Requires selection criteria for state facilities and infrastructure grant and loan programs to include the consideration of answers to growth impact-related questions when making funding decisions.

Hearing Date: 2/1/08

Staff: Nona Snell (786-7153).

Background:

Office of Financial Management Budget Instructions

The Office of Financial Management (OFM) is required to provide state agencies with instructions for submitting biennial capital and operating budget requests. The budget instructions include proposed financial policies and priorities of the state for the following budget period, along with performance indicators, schedules, and other information relevant to agencies that are requesting capital or operating funds.

State Agency Facility Oversight Review

In 2007, the Legislature gave OFM the responsibility for oversight of state facility needs analysis and decision making. The OFM is currently developing processes to implement this new requirement. This includes designing and implementing a modified pre-design process for space requests to lease, purchase, or build facilities for new or expanded state programs, or the relocation of programs. Projects that are smaller than 20,000 square feet may provide a cost-benefit analysis rather than a life-cycle cost analysis. Major projects, costing \$5 million or more, are not required to prepare a modified pre-design.

Agencies may not enter into new or renewed leases of more than \$1 million per year unless the leases have been approved by the OFM, except in the case of an emergency. Agencies may not

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enter into lease agreements for privately owned buildings that are under development unless the director of the OFM gives prior approval.

The OFM is in the process of working with agencies to determine long-term facility needs for a six-year facilities plan. The six-year plan must include agency space requirements and other data necessary for facility needs analysis and planning.

Public Works Assistance Account

The Public Works Assistance Account, commonly known as the Public Works Trust Fund, is a competitive program that was created by the Legislature in 1985 to provide loans to assist local governments and special purpose districts with infrastructure projects. The Public Works Board, within the Department of Community, Trade, and Economic Development (CTED), is authorized to make low-interest or interest-free loans from the account to finance the repair, replacement, or improvement of the following public works systems: bridges, roads, water and sewage systems, and solid waste and recycling facilities. All local governments except port districts and school districts are eligible to receive loans.

Community Economic Revitalization Board

The Community Economic Revitalization Board (CERB) is a competitive program within the CTED that was created by the Legislature in 1982 to provide low-interest loans and grants to finance local public economic development infrastructure necessary to develop or retain stable business and industrial activity. These improvements include industrial water, general-purpose industrial buildings and port facilities, sanitary and storm sewers, industrial wastewater treatment facilities, railroad spurs, telecommunications, electricity, natural gas, roads, and bridges. The public projects are linked to targeted business sectors in manufacturing, food processing, assembly, warehousing, industrial distribution, advanced technology, research and development, and recycling facilities. Political subdivisions and federally-recognized Indian tribes are eligible for the loans and grants.

Job Development Fund

The Job Development Fund (JDF) program was created by the Legislature in 2005 to provide grants for public infrastructure projects that directly stimulate community and economic development by supporting the creation of new jobs or the retention of existing jobs. The infrastructure financed by the JDF may include drinking water, wastewater, stormwater, and transportation projects. The JDF program is a competitive program administered by the CERB. Political subdivisions and federally-recognized Indian tribes are eligible for the loans and grants.

Local Infrastructure Financing Tool

The Local Infrastructure Financing Tool (LIFT) program was created by the Legislature in 2006 to provide a public infrastructure financing mechanism for local governments. The program allows local governments, either identified by the Legislature or selected through a competitive process, to use tax revenue generated by private investment in a specific area to help finance public infrastructure improvements that encourage economic development and redevelopment within those areas. The LIFT must be used to finance public improvements, including: street, bridge and road construction, and maintenance; water and sewer system construction and improvements; sidewalks, traffic controls, and streetlights; parking, terminal, and dock facilities; park and ride facilities; park facilities and recreational areas; storm water and drainage management systems; and affordable housing. The LIFT program is administered by the CERB.

Transportation Improvement Board

The Legislature created the Transportation Improvement Board (TIB) in 1988 to provide grants to cities and counties for high priority local transportation projects that enhance the movement of people, goods, and services. The TIB administers six competitive programs: Urban Arterial Program, Urban Corridor Program, Small City Arterial Program, Sidewalk Program (urban and small city), Small City Preservation Program, and the Road Transfer Program (City Assistance Hardship Program).

Youth Recreational Facilities

The Youth Recreational Facilities Program (YRF) was created by the Legislature in 2003 to provide grants to nonprofit, community-based organizations to defray up to 25 percent of the eligible capital costs for the acquisitions and/or major construction or renovation of nonresidential projects that provide a youth recreation opportunity that is supported by a social service or educational component at the same location. The YRF program is a competitive program administered by the CTED.

Community Services Facilities

The Community Services Facilities Program (CSF) was created by the Legislature in 1995 to provide grants to nonprofit, community-based organization to defray up to 25 percent of the eligible capital costs for the acquisition and/or major construction or renovation of community-based non-residential social service projects. The CSF program is a competitive program administered by the CTED.

Building for the Arts

The Building for the Arts Program (BFA) was created by the Legislature in 1991 to provide grants to nonprofit performing arts, art museum, and cultural organizations to defray up to 20 percent of eligible costs for the acquisitions, construction, or major renovation of capital facilities. The BFA program is a competitive program administered by the CTED.

Heritage Capital Projects Fund

The Heritage Capital Projects Fund Program (Heritage Grants) was created by the Legislature in 1995 to provide grants for locally-initiated capital projects that preserve and interpret the heritage of the State, including preserving historic structures, building museums, and conserving historic sites. The Heritage Grant program is a competitive program administered by the Washington State Historical Society.

Summary of Bill:

The OFM's budget instructions are required to direct certain competitive grant and loan infrastructure programs to consider answers to a list of specific growth impact-related questions when making funding decisions. The list of questions is included in the bill, and the following programs are included in the budget instruction requirements:

- Public Works Board
- Community Economic Revitalization Board
- Job Development Fund
- Local Infrastructure Financing Tool
- Transportation Improvement Board
- Youth Recreational Facilities

- Community Services Facilities
- Building for the Arts
- Heritage Capital Projects Fund

The OFM State Agency Facility Oversight Review must consider answers to a list of specific growth impact-related questions when making decision regarding state agency space needs. The list of questions is included in the bill. The questions are different than those for the competitive grant and loan infrastructure programs.

Appropriation: None.

Fiscal Note: Requested on 1/25/08.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.