



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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February 2, 2017

TO: Honorable Jim Honeyford
Honorable David Frockt
Honorable Steve Tharinger
Honorable Richard DeBolt

FROM: David Schumacher
Director

**SUBJECT: TECHNICAL CORRECTIONS RELATING TO GOVERNOR INSLEE'S
PROPOSED 2017-19 CAPITAL BUDGET**

The following recommended changes to Governor Inslee's proposed capital budget represent corrections related to the budget released in December. OFM has transmitted updated budget data reflecting these and other minor technical corrections and updates to your staff.

Department of Commerce

CPR-1 Carbon Reduction Investment Fund (40000020) – \$149.1 million (Carbon Pollution Reduction Account)

The Governor's 2017-19 capital budget proposal submitted in December did not fully appropriate new revenues from his proposed carbon pollution reduction tax. As additional details have been finalized, we recommend the following additional appropriations from this account to be consistent with proposed legislation enacting the Governor's carbon pollution tax and investment program (SB 5127/HB 1555):

- industrial energy efficiency project proposals that also reduce greenhouse gas emissions;
- clean transportation project proposals that reduce transportation-related emissions;
- energy efficiency for existing buildings; and
- other projects using new and emerging technologies to reduce the carbon intensity of energy.

Department of Ecology

CPR-1 2017-19 Stormwater Financial Assistance Program (30000796) – \$20.0 million (Carbon Pollution Reduction Account)

The Governor's 2017-19 capital budget proposal did not fully appropriate new revenues from his proposed carbon pollution reduction tax for water infrastructure projects.

State Parks and Recreation Commission

057-1 Minor Works - Program (30000979) – (\$604,000) (State Building Construction Account)

The Governor's budget proposal incorrectly double-funded a minor works project.

Thank you for your consideration. Please feel free to contact OFM staff if you have any questions.

cc: Richard Ramsey, Senate Ways & Means Committee
Melissa Palmer, House Capital Budget Committee