



STATE OF WASHINGTON
WASHINGTON STATE PARKS AND RECREATION COMMISSION

1111 Israel Road S.W. • P.O. Box 42650 • Olympia, WA 98504-2650 • (360) 902-8500
TDD Telecommunications Device for the Deaf: 800 833-6388
www.parks.state.wa.us

July 17, 2025

Item E-4: 2026 Supplemental Capital Budget – Requested Action

EXECUTIVE SUMMARY: This item asks the Washington State Parks and Recreation Commission to approve the 2026 supplemental Capital budget request for submission to the Office of Financial Management (OFM). This item advances the Commission’s strategic goal: “Resource Management – Obtain and effectively manage resources needed to create and sustain an exceptional parks system.”

2026 SUPPLEMENTAL BUDGET DEVELOPMENT:

Budget Instructions and Submittal. OFM issued a memorandum regarding 2026 supplemental budget development on June 4, 2024 (Appendix 1) that included the following guidelines:

- Non-discretionary changes in legally mandated caseloads or workloads.
- Necessary technical corrections to the enacted 2025-27 budgets.
- Additions or reductions to federal or private/local funding anticipated for the remainder of the biennium.
- Critical and emergent costs that cannot be accommodated with savings or efficiencies in the existing budget.
- Additional options for efficiencies, reform, administrative savings, or reductions in non-essential services and programs.

Budget Development Process. Agency managers, staff and the budget office began work on the 2026 supplemental budget proposal this spring. Since that time, efforts have included:

- Referencing the 2025-27 Commission Ten-Year Capital Plan for guidance.
- Review of the Governor’s priorities.
- Discussions among the agency’s Executive Leadership Team and senior management members concerning priorities, resource needs, and staff capacity.
- Discussion with the Commission’s Budget Committee.

2026 SUPPLEMENTAL CAPITAL BUDGET SUBMITTAL

The 2026 supplemental Capital budget request is comprised of the following four items and is in proposed priority order:

1. Facilities Infrastructure Backlog Reduction \$2,500,000
 - Requesting additional 2025-27 funding to address Parks deferred maintenance projects. Parks typically request \$5-6 million a biennium though only received \$2.6 million in the current biennial budget. This is to support capital projects for both

- parks' development and statewide maintenance.
2. Nisqually State Park New Campground Utilities and Roads Construction \$9,000,000
 - Funding is requested for part one of a now multipart approach to the campground Phase 3D project at the Nisqually State Park. Part one addresses all buried utilities and paved roads for the 60-site campground. Subsequent funding will be needed to complete the remaining parts of the campground Phase 3D in the coming biennia.
 3. Utility Infrastructure Preservation \$3,500,000
 - Funding is requested for the final design and construction for a new lift station to improve functionality of existing sewage conveyance system at Dosewallips State Park, design outfall and drain field work at Fort Columbia, sewer system enhancement design at Pearrygin Lake, and statewide funding for construction of high-speed internet lines in concert with other capital construction projects.
 4. Code Compliance \$1,500,000
 - Capital construction dollars Parks utilizes primarily for unforeseen code compliance issues that are identified during the biennium, and on occasion have been used to address unknown code compliance and regulatory requirements that arise during construction.
 5. Restroom and Comfort Station Replacement \$5,250,000
 - Funding is requested for continued upgrading and standardizing Parks restrooms and comfort stations across the state and is shared between the three regions. This includes design costs for seven restroom/comfort stations and one upgrade.
 6. Millersylvania State Park Welcome Center and Entrance Modifications A&E \$515,000
 - Design funding to allow for 2027-29 biennial ask for construction. This is to allow for the relocation out of the welcome center out of a frequent flood area.
 7. Ike Kinswa State Park Bulkhead Replacement Construction \$1,600,000
 - Bank erosion has exposed rebar, rotted lumber, and a 4 foot drop off in places. Once-terraced spoils have been lost to the lakebed making the area unsafe for beach goers to get to the water. Project is near design completion and will be ready to move to construction this biennium. This is a shovel ready project ready for construction at time of funding allocation.
 8. Federation Forest State Park Interpretive Center Improvements Construction \$1,500,000
 - Currently, the facility contains substantial exhibit infrastructure remaining from 1964 alongside ad hoc improvements made in the decades since. The result is a disjointed experience that lacks relevance for contemporary audiences and does not meet accessibility and universal access standards. This project will renovate the interior of the interpretation center and displays. Parks is working in close partnership with the tribe to develop a culturally appropriate experience.
 9. Marine Facilities Preservation Construction \$1,500,000
 - All funding will go toward shovel ready projects. This includes Lake Sammamish boat ramp repairs, Jarrell Cove long dock pier repairs, Pleasant Harbor pier repairs, Ike Kinswa boat ramp extension, Illahee wave attenuator repairs, Mystery Bay pier repairs and boat launch replacement, and Statewide mooring buoy anchor replacement.
 10. Interpretive Center Renovation \$1,500,000
 - The interpretive center has not had a significant exhibit renovation in nearly 40 years.

Many of the existing exhibits include failing materials or do not meet ADA standards. Irreplicable artifacts are being displayed in cases that do not meet current best practices for preservation. This project is currently in progress with operating funds being used to complete project design to 30%. HVAC and roof replacements are currently underway with existing minor works funding. The design for the interior renovation and interpretation is also funded by the operating budget. This project is currently at 60% design. This additional funding will allow the project to complete design and construction. This includes fabrication and installation of new exhibits that meet standards for accessibility and accurately convey the natural and cultural history of this National Natural Landmark. As part of the project, critical visitor accessibility updates will be implemented, and new retail infrastructure will be installed to improve revenue generation.

STAFF RECOMMENDATION:

Based on the above considerations and the review of funding requests, staff recommends the development of a 2026 supplemental Capital budget request that is approximately \$28.4 million. Staff also requests authority be given to the Director to make final changes as needed to the 2026 supplemental Capital budget request before final submission to the OFM.

NEXT STEPS:

If this requested action is approved, over the next two months staff will refine expenditure estimates, develop, and compile the supplemental Capital budget request, and submit the request to OFM by the September 15, 2025, due date.

SUPPORTING INFORMATION:

Appendix 1: Office of Financial Management June 4, 2025, 2026 supplemental budget instruction memorandum.

REQUESTED ACTION FROM COMMISSION:

That the Washington State Parks and Recreation Commission:

- 1) Authorize the Director to submit a 2026 supplemental Capital budget request to the Office of Financial Management (OFM) for approximately \$28.4 million.
- 2) Authorize the Director to make changes, technical corrections, and adjust dollar amounts in the supplemental Capital budget request as needed for submittal.

Author(s)/Contact: Van A. Church, Budget Director
van.church@parks.wa.gov (360) 902-8542

Reviewers:

Chris Gourley, SEPA Review: Following review, staff has determined that the action proposed for the Commission by staff is exempt from the State Environmental Policy Act (SEPA) pursuant to WAC 197-11-800(14)(c),(g), and (h). The list of projects included in this action item are for planning consideration only. This action does not commit the agency to proceed with any specific proposal. Any future proposals may require additional SEPA review.

Andy Woo, Assistant Attorney General:

Laura Holmes, Administrative Services Director

Heather Saunders, Parks Development Director

Approved for Transmittal to Commission

Diana Dupuis, Director

APPENDIX 1

OFFICE OF FINANCIAL MANAGEMENT

JUNE 4, 2025 OPERATING AND CAPITAL BUDGET INSTRUCTIONS



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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

June 4, 2025

TO: Agency Directors
Presidents of Higher Education Institutions

FROM: K.D. Chapman-See
Director

SUBJECT: INSTRUCTIONS FOR 2026 SUPPLEMENTAL BUDGET SUBMITTALS

Supplemental budget requests are due to the Office of Financial Management (OFM) on **September 15, 2025**. We will very likely continue to face a challenging state budget environment in the coming year and anticipate increasing caseloads and ongoing uncertainty in the economy and federal funding. Please focus your submittals on the following:

- Non-discretionary changes in legally mandated caseloads or workloads.
- Necessary technical corrections to the enacted 2025-27 budgets.
- Additions or reductions to federal or private/local funding anticipated for the remainder of the biennium.
- Critical and emergent costs that cannot be accommodated with savings or efficiencies in the existing budget.
- Additional options for efficiencies, reform, administrative savings, or reductions in non-essential services and programs.

Agencies are asked to limit all discretionary budget requests, consistent with efficiency and performance management efforts to streamline and improve services while *reducing* costs. Budget requests should be limited to only those initiatives which meet the state's highest priority needs for the most efficient, high- quality services to the public over the long term. The supplemental budget must continue to re-examine all state functions to ensure that only essential services are funded, and that those services are delivered with maximum efficiency and attention to outcomes, paying particular attention to retaining services for our most vulnerable residents and overburdened communities. The state's ability to replace lost or reduced federal funding will be very limited.

Strategic and Performance Outcomes

Governor Ferguson's [strategic and performance](#) outcome priorities are in development and will be communicated at a later date.

Operating, Transportation, and Capital Budgets

Narrative descriptions for budget requests should be very detailed. The justification must fully explain why additions cannot be included within your existing budget. Also, describe the implications to program outcomes and client services, revenues (including fees), legislation, federal rules, and any barriers that might complicate achievement of a policy change. Clearly identify any changes that will require 2026 agency request legislation.

The Governor will continue to focus on equity in his 2026 supplemental budget requests. Therefore, agencies are expected to address the impacts on marginalized communities in their decision packages.

Budget advisors will consider your responses to the following questions when reviewing your decision packages. They will analyze budget impacts to understand how reductions or additions impact opportunities and access for individuals who have historically been excluded or under-represented.

- **Equity impacts to under-represented communities** (i.e., the demographic, geographic, and economic groups currently or historically affected by the policy, program, and potential decision)
- **Populations benefiting from or burdened by the proposal** (i.e., the program or policy expands or limits contract opportunities and access for individuals who have historically been excluded or underserved; the change in policies or practices perpetuates racial disparities and/or institutional racism; and whether benefits and resources are distributed in an accessible manner to communities that need it)
- **Strategies to mitigate unintended consequences** (i.e., the program or policy integrates strategies to improve access for immigrants, refugees and under-represented people; culturally specific strategies are included to address the needs of Washingtonians; and perspectives were involved or not involved in developing the proposal or making decisions).

Operating and Transportation Budgets

Operating and transportation supplemental budget requests must be submitted to OFM electronically through the enterprise Agency Budget System (ABS). Your agency's release of ABS operating budget data inclusive of required elements constitutes your submittal. For the complete 2025-27 budget instructions, system tutorials and credentialing information, please visit our Washington [BudgetWorks](#) site.

Capital Budget

Legislative changes in the 2025-27 capital budget will impact 2026 supplemental capital budget requests:

- The minor works threshold was increased to \$2 million for most state agencies and \$4 million for higher education institutions. Agencies must use reappropriations before new appropriations, without regard to lists or projects submitted at the time the funds were appropriated.
- Requests related to a project whose total project cost exceeds the total estimated in prior budget requests by 15 percent must include a statement detailing the amount and reason for the additional cost. If the increased cost is the result of a change in design, the agency must also submit a construction cost estimate for the design as originally submitted.
- Agencies should carefully consider whether projects funded through grant programs are ready to proceed before requesting or awarding funding. The biennial capital budget now requires new 2025-27 appropriations for grant programs and community projects to be spent in a timely manner. The Legislature does not intend to reappropriate most 2025-27 bond-funded grant program projects for which a contract has not been executed within four years or for which appropriations have not been spent within six years of appropriation.

Agencies must submit capital budget requests using the Capital Budget System (CBS), and for projects greater than \$2 million (\$4 million for higher education), must attach a completed [C-100 form](#). OFM no longer utilizes the FTP site for capital budget submittals. Submittals can now be uploaded to a secure managed file transfer ([MFT](#)) site, which also works for agencies and institutions outside of the state government network. The [Capital Budget Team](#) will send further instructions to agencies.