



INVEST IN CRITICAL FACILITIES AND INFRASTRUCTURE SUPPORT SHB 2168, HB 2792 & HB 2793

KEY POINTS

- *Diversions from the capital budget kills design and construction jobs.*
- *New facility and infrastructure investments are needed to promote economic growth.*
- *Pencil Ready Projects create Shovel Ready Jobs*
- *Design is a wise investment. Every dollar spent on design supports 10-15 dollars in construction.*
- *Every \$1 billion spent on construction creates 13,820 jobs and \$723 million in wages.*
- *Funding design now, means that construction projects will be ready when more money is available.*

Past Capital Diversions Hurt our State's Recovery

Over the past three years the state's capital budget has fallen by \$3.7 billion. \$2 billion of that is from economic circumstances. But, \$1.7 billion has been diverted from creating design and construction jobs to fund other programs. Even with these cuts, design funding was cut disproportionately deep. These transfers and resulting project cuts resulted in job losses in both design and construction.

Since July of 2008, Washington has lost over 3,700 design jobs. Many more design professionals are not officially unemployed, but are now working for significantly less wages in their current or new jobs.

It is time for the state to plan for the future and support new design and construction projects.

Stop the Transfers

In the last 3 years \$1.7 billion has been taken out of capital investments and spent on other programs. A 2011 study conducted by Bellevue-based Hebert Research, found that such transfers have resulted in the loss of jobs and lowered overall wages in the state. Every billion dollars transferred from the capital budget to general government spending results in 1,000 fewer jobs and \$55 million less in wages.

Support New Bonding Options for Design & Construction

The state can pay back its debt owed to the construction budget by passing a new jobs bill with more than \$1 billion in new capital investments. Every \$1 billion spent on design and construction creates 13,820 jobs and \$723 million in wages.

In addition, this money will fund needed infrastructure and facility investments for schools, community colleges, universities, cities, counties and more. This infrastructure investment not only creates short term jobs, but lays the foundation for future economic growth.

With private sector construction at a standstill, we need the state to protect its public construction dollars and invest them wisely in design and construction jobs.

Design Projects are Wise Investments.

It is important that capital spending include a balance between design and construction services. Simply put, if a project is not designed, then it cannot be built. *Pencil ready projects create shovel ready jobs.*

Every dollar spent on design supports 10 to 15 dollars in construction. Design costs are generally about 6-10% of a project's overall cost. A small investment in design will ensure that there are construction projects ready when state revenues recover. We need construction jobs to bring us out of this economic recession and boost state revenues.

It takes two to four years to design a new building. If design projects are not funded now, then construction projects will not be ready when revenues rebound. **This puts the state at risk for leaving thousands of construction workers idle while projects are in the design phase – resulting in as much as a six year delay in the recovery of the construction industry.**

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