

# HOUSE BILL REPORT

## HB 1070

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### As Reported By House Committee On:

Capital Budget

**Title:** An act relating to the capital budget.

**Brief Description:** Adopting the capital budget.

**Sponsors:** Representatives Sehlin, Ogden, Dellwo, Schoesler, Sheahan and Chopp; by request of Office of Financial Management.

### Brief History:

#### Committee Activity:

Capital Budget: 3/21/95, 3/23/95 [DPS].

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## HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Sehlin, Chairman; Honeyford, Vice Chairman; Ogden, Ranking Minority Member; Costa; Hankins; McMorris; Mitchell; Pennington; Regala; L. Thomas and Valle.

**Staff:** Karl Herzog (786-7120).

**Background:** The capital budget is one of three budgets used in Washington State to govern state agency expenditures during the state's two-year fiscal biennium. The capital budget generally includes appropriations for acquisition, construction, and repair of state office buildings, public schools, colleges and universities, prisons, parks, local government infrastructure, and other long-term facility and land investments. In recent years, the primary funding source used to fund projects authorized in the capital budget has been the sale of state bonds, with the balance coming from dedicated taxes and fees, revenues from state trust lands, and federal grants.

**Summary of Substitute Bill:** The state capital budget for the 1995-97 fiscal biennium is adopted. The budget authorizes \$1,396,060,726 in new capital projects, including \$698,357,131 in projects funded from state bonds. This total is the result of discontinuing projects valued at \$20,136,579, including \$19,836,579 from bond funds, authorized in previous capital budgets.

In addition to the new projects authorized in the budget, \$1,488,364,858 in projects authorized in previous capital budgets but not yet complete are reauthorized for the 1995-97 biennium. These reappropriated projects include \$778,166,138 in projects funded from state bonds.

Conditions and limitations on the use and expenditure of appropriations and reappropriations in the budget are established.

Thirty lease-purchase or lease-development projects, totalling \$90,015,000, are authorized.

Four studies of fiscal issues related to the capital budget are directed:

- (1) The Legislative Audit Committee must evaluate options to reduce the design, construction, and operating costs of prisons and juvenile rehabilitation facilities based on benchmarks established in privately operated and innovative publicly operated institutions in other states.
- (2) The Board of Natural Resources must evaluate the feasibility of establishing a pooled revenue distribution system for state trust lands.
- (3) The State Auditor must audit purchases of works of art under the Art in Public Places program.
- (4) The State Board of Education must conduct a pilot program to determine the potential advantages and savings of value engineering and constructability reviews on school facility construction. The state board must also conduct a study to determine potential policy changes that would provide small school districts with less than 25 percent taxable property with a higher level of state financial assistance for school construction.

See attached list of capital projects.

**Fiscal Note:** Not requested.

**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** None.

**Testimony Against:** None.

**Testified:** None.