

HOUSE BILL REPORT

HB 1115

As Reported by House Committee On: Capital Budget

Title: An act relating to the capital budget.

Brief Description: Concerning the capital budget.

Sponsors: Representatives Dunshee, DeBolt, Gregerson, Morris and Reykdal; by request of Governor Inslee.

Brief History:

Committee Activity:

Capital Budget: 1/20/15, 3/30/15, 3/31/15 [DPA].

**Brief Summary of Amended Bill
(As Amended by Committee)**

- Authorizes \$3.77 billion in new capital projects for the 2015-17 fiscal biennium, of which \$2.16 billion are financed with state general obligation bonds.
- Includes \$313 million in authorizations for agencies to enter into alternative financing contracts.
- Adjusts the 2013-15 Capital Budget by a net decrease of \$113.6 million.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass as amended. Signed by 9 members: Representatives Dunshee, Chair; Stanford, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Kilduff, Kochmar, Peterson, Riccelli and Walsh.

Staff: Meg VanSchoorl (786-7105).

Background:

Washington operates on a biennial budget cycle. The Legislature authorizes expenditures for capital needs in the omnibus capital appropriations act (capital budget) for a two-year period,

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and authorizes bond sales through passage of a bond bill associated with the capital budget to fund a portion of these expenditures. Historically, approximately half of the capital budget is financed by these state-issued general obligation bonds, and the balance is funded by dedicated accounts, trust revenue, and federal funding sources. The primary two-year budget is passed in the odd-numbered years, and a supplemental budget making adjustments to the two-year budget is often passed during the even-numbered years. The current capital budget covers the period from July 1, 2013, through June 30, 2015.

The capital budget includes appropriations for the acquisition, construction, and repair of capital assets such as state office buildings, prisons, juvenile rehabilitation centers, residential habilitation centers, mental health facilities, military readiness centers, and higher education facilities. The capital budget also funds a variety of environmental and natural resource projects, parks and recreational facilities, public K-12 school construction, and grant and loan programs that support housing, public infrastructure, community service facilities, and art and historical projects.

Summary of Amended Bill:

The amended bill includes the 2015-17 Capital Budget and the 2015 Supplemental Capital Budget. It authorizes new capital projects for 2015-17 totaling \$3.77 billion, of which \$2.16 billion is financed from state general obligation bonds and \$1.6 billion is financed from other funds. Included are authorizations for state agencies to enter into alternative financing contracts totaling \$313 million. The amended bill also reappropriates \$2.87 billion for uncompleted projects approved in prior biennia.

In addition, the amended bill makes adjustments to the 2013-15 Capital Budget, including appropriation increases of \$16.7 million and appropriation decreases of \$130.3 million, for a net decrease of \$113.6 million. Reappropriations are also decreased by a net of \$3.5 million.

Amended Bill Compared to Original Bill:

The amended bill: (1) authorizes new capital projects for 2015-17 totaling \$3.77 billion, rather than \$3.86 billion in the original bill; (2) authorizes state agencies to enter into alternative financing contracts totaling \$313 million instead of \$223 million in the original bill; (3) authorizes reappropriations totaling \$2.87 billion rather than \$3.2 billion in the original bill; and (4) decreases the 2013-15 Capital Budget by \$113.6 million rather than by \$108.6 million in the original bill.

Appropriation: For the 2015-17 biennium, the sum of \$3.77 billion in new appropriations and \$2.87 billion in reappropriations. For the 2013-15 biennium, the net sum of (-\$113.6 million) in new appropriations and the net sum of (-\$3.5 million) in reappropriations.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

Please refer to the January 20, 2015, and March 30, 2015, recordings of the public hearing.

Persons Testifying: *Hearing Date January 20, 2015, on House Bill 1115*

(In support) Virginia Anderson, Cornish College; Patty Belmonte, Hands on Children's Museum; Phyllis Kenney, Sea Mar Community Health Center; Len McComb, Washington State Hospital Association; Michelle Price, Moses Lake School District; Marie Sullivan, Pasco School District; JJ McCoy, Northwest Energy Coalition; Seth Dawson, Washington State Community Action Partnership; Andrea Caupain, Centerstone; Richard Anderson, Northwest Railway Museum; Steve DuPont, Central Washington University; Becca Kenna-Schenk, Western Washington University; Bob Ecklund, YMCA Pierce & Kitsap Counties; Scott Washburn, YMCA of Snohomish County; Connie Mueller, Kitsap Community Resources; Les Bolton, Grays Harbor Historical Sea Port Authority; Heather Hansen and Ken Miller, Washington Farm Forestry Association; Deborah Munguia, Washington Forest Protection Association; Darcy Nonemacker, Washington Environmental Council; Mo McBroom, The Nature Conservancy; Gary Smith, Independent Business Association; Frank Gordon, Grays Harbor Commission; Harry Bell, Green Crow Corporation; Megan Hyla, Association of Washington Housing Authorities King County Housing Development Consortium; Ann Weckbeck, Lewis County; Michelle Thomas, Washington Low Income Housing Alliance; Dr. Michael Jensen, Seattle Research Children's Center; Steve Robinson, Quinalt Indian Nation Architects and Engineers Legislative Council; Jean White, King County; Jeanne Rynne, The Evergreen State College; Matt Zuvich, Washington Federation of State Employees; Jeff Gombosky, Multi Care Health System; Gerry O'Keefe, Washington Public Ports Association; Jay Gordon, Washington State Dairy Federation; and Evan Sheffels, Washington State Farm Bureau.

(With concerns) Jan Woldseth Colbrese, Nordic Heritage Museum; Eric Johnston, City of Bellingham; Stephen Ward, Centralia College; Wayne Doty, State Board for Community and Technical Colleges; Mary Jane Goss, City of Lake Forest Park; Scott Hugill, City of Mountlake Terrace; David Scott, City of Washougal; Lloyd Halverson, City of Washougal, and Port of Washougal; Mendy Harlow and Michelle Myers, Hood Canal Salmon Enhancement Group; Steve Crawford, Issaquah School District; Ann Lewis, Kachess Ridge; Devona Ensmenger, Wild Salmon Center; Mike Nordin, Pacific and Grays Harbor Conservation Districts; Tom Kollasch, The Nature Conservancy; Lisa Bellefont, Center for Natural Lands Management; Miles Batchelder, Coast Salmon Foundation; Mark Neary, Office of the Secretary of State; Gordon Beck, Office of the Superintendent of Public Instruction; Charlie Brown, Tacoma School District; Chris Mulick, Washington State University; Mitch Denning, Alliance of Education Association; Dan Steele, Washington Association of School Administrators; Deb Merle, Washington State Schools' Directors Association; and Lisa Thatcher, Port of Tacoma.

(Other) Wayne Marion, Rocky Mountain Elk Foundation; Joe Mentor, Washington Wildlife and Recreation Coalition; Adrian Miller, Olympic Resource Management; Amanda Reed,

Capital Land Trust; Nicole Li, International Community Health Services; Richard Mellon, International Community Health Services; Wier Harman, Town Hall Seattle; Wesley Wenhatt, Foss Water System; Peter Schrappen, Northwest Marine Trade Association; Paul Simmons, City of Olympia; David Buri, Eastern Washington University; and Patrick Bell, University of Washington.

(Opposed) Edward Peters, Edmonds School District No. 15; Noah Seidel, Self Advocacy in Leadership; Carter Bagg, Education Service District No. 112; Ray Veak, Auburn School District No. 408; Jeffrey Hamlet and Walter Schacht and George Shaw, Washington Architects & Engineers Legislative Council; Chris Maykut and Naydene Maykuy, Friends of Bumping Lake.

Hearing Date March 30, 2015, on Proposed Substitute House Bill 1115

(In support) Robert Ecklund, YMCA of Pierce and Kitsap County; Becca Kenna-Schenk, Western Washington University; Lee Harper, Phinney Neighborhood Association; Wier Harman, Town Hall Seattle; Les Bolton, Grays Harbor Historical Seaport Authority; Shannon Fitzgerald, Northwest Seaport; Haydee Lavariega, Casa Latina; Bill Chapman, Millenium Bulk Terminals; Adrian Miller, Olympic Resource Management; Heidi Eisenhour, American Farmland Trust; Michele Thomas, Washington Low Income Housing Alliance; Paul Purcell, Beacon Development Group; Connie Brown, Tacoma Pierce County Affordable Housing Consortium; Mark Smith, Housing Consortium of Everett and Snohomish County; Megan Hyla, Housing Development Consortium and King County Housing Authority; Tom Ranken, Clean Tech Alliance; Walter Schacht and Mike Slater, American Institute of Architects; Laura Merrill, Washington State Association of Counties; Brad Banks, Washington State Local Public Health; Doug Levy, Washington Recreation and Park Association; Dawn Vyvyan, Yakama Nation; Suzanne Petersen, Seattle Childrens Research Institute; Seth Dawson, National Alliance on Mental Illness; Jean Cushman and Scott Sigmon, Deschutes Watershed Center; Gary Sandwick, Catholic Community Services of Western Washington; Len McComb, Washington State Hospital Association; Hannah Clark, Washington Association of Land Trusts; Matt Zurich, Washington Federation of State Employees; Merritt Mount, Washington State Community Action Partnerships; Steve DuPont and Jim Huckabay, Central Washington University; Julie Garver, The Evergreen State College; and Al Aldrich, City of Marysville and City of Stanwood.

(With concerns) Denise Yochum, Pierce College Fort Steilacoom; Bruce Riveland, Olympic College; Linda Schoonmaker, Clover Park Technical College; Steve Ward, Centralia College; Chris Mulick, Washington State University; Linda Hupka, Bremerton School District and West Sound Tech; Lua Pritchard, Asia Pacific Cultural Center; Eric Johnson, Washington Public Ports Association; Heather Hansen, Washington Farm Forestry Association; Phyllis Gutierrez-Kenney and Mike Leong, Sea Mar Community Health Center; Jim Hendrick, Port of Everett; Sean Eagan, Port of Tacoma; Ken Kanikeberg, Office of the Superintendent of Public Instruction; Mitch Denning, Alliance of Educational Associations; and Tom Davis, Washington Farm Bureau.

(Other) Ryan Brault, Pasco School Board; and Mike Wark, University of Washington Tacoma Campus.

(Opposed) Eden Mack and Steve Nesich, Washington State Parent-Teacher Association; Kelly Powers and Daniel Bagley, Elementary Parent-Teacher Association; David Foster, Building for the Arts; Jan Woldseth Colbrese, Nordic Heritage Museum; John Gordon, Cornish College of the Arts; Genesee Adkins, University of Washington; and Jim Justin, Washington Technology Industry.

Persons Signed In To Testify But Not Testifying: None.