

HOUSE BILL REPORT

HB 2380

As Reported by House Committee On: Capital Budget

Title: An act relating to the capital budget.

Brief Description: Concerning the supplemental capital budget.

Sponsors: Representatives Tharinger and DeBolt; by request of Office of Financial Management.

Brief History:

Committee Activity:

Capital Budget: 1/15/16, 2/24/16, 2/26/16 [DPS].

<p>Brief Summary of Substitute Bill</p> <ul style="list-style-type: none">• Makes supplemental capital appropriations for the 2015-17 biennium.
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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 9 members: Representatives Tharinger, 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, and authorizes bond sales through passage of a bond bill associated with the capital budget to fund a portion of these expenditures. Historically, about half of the capital budget has been 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.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

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.

The current capital budget covers the period from July 1, 2015, through June 30, 2017. It includes \$3.7 billion in new appropriations, of which \$2.2 billion is financed from state general obligation bonds and \$1.5 billion is financed from other funds. In addition, various agencies are authorized to enter into \$225 million in alternative financing contracts for specific projects.

Summary of Substitute Bill:

New supplemental capital appropriations of \$106.6 million are made for the 2015-17 biennium, including all appropriation increases and decreases. Of that amount, \$87.3 million is financed from state general obligation bonds and \$19.3 million from other funds. In addition, various agencies are authorized to enter into \$204.7 million in alternative financing contracts for specific projects, and an additional \$4.185 million is provided for two reappropriated projects.

Substitute Bill Compared to Original Bill:

The substitute bill: (1) authorizes new appropriations totaling \$106.6 million rather than the \$115.7 million in the original bill; (2) authorizes state agencies to enter into alternative financing contracts totaling \$204.7 million rather than the \$144 million in the original bill; and (3) authorizes increased reappropriations totaling \$4.185 million rather than the (\$238,000) in the original bill.

Appropriation: The sum of \$106.6 million in new appropriations and \$4.185 million in reappropriations.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

Please refer to the January 15, 2016, and February 24, 2016, recordings of the public hearings.

Persons Testifying: (In support of original bill) Scott Egger, American Public Works Association; Seth Dawson and Dave Finet, Washington State Community Action Partnership; Denise Yochum, Pierce College, Fort Steilacoom; Nate Langstraat, Whatcom Community College; Frank Ashby, South Seattle College; Ryan Mello, City of Tacoma; Dean Jackson, Hilltop Urban Gardens; Melissa Malott, Citizens for a Healthy Bay; Darcy Nonemacher, Washington Environmental Council; Laura Berg, Washington State Association of Counties; Len McComb, Washington State Hospital Association; Susie Benson, Wenatchee Valley College; Cheryl Roberts, Shoreline Community College; Michael Groesch, Foundation of Museum Arts and Culture for Eastern Washington Historical Society; Sean Eagan, Port of Tacoma; Tom Parker, Washington State Catholic Conference; and Gerry O'Keefe, Washington Public Ports Association.

(Opposed to original bill) Gordon Beck, Office of Superintendent of Public Schools.

(Other on original bill) Carl Schroeder, Association of Washington Cities; Michele Thomas, Washington Low Income Housing Alliance; James McMahan, Washington Association of Sheriffs and Police Chiefs; Dan Cothren, Wahkiahum County; and Glenn Lamb, Columbia Land Trust.

(In support of proposed substitute bill) Marie Sullivan, Pasco School District; Seth Dawson, National Alliance for Mental Illness and Washington State Community Action Partnership; Julie Salvi, Washington Education Association; Brian Enslow, Washington State Association of Counties; Jean Hernandez, Edmonds Community College; Marty Mattes, Bates Technical College; and Bob Pasquariello, Olympic College.

(Opposed to proposed substitute bill) James McMahan, Washington Association of Sheriffs and Police Chiefs; Gerry O'Keefe, Washington Public Ports Association; Jim Hedrick, Port of Everett; and Sean Eagan, Port of Tacoma.

(Other on proposed substitute bill) Sarah Perry, Cornish College of the Arts; Peter Shapario, Washington Housing Action Fund; Bryan Ketcham, Catholic Charities Housing Services; Chris Pegg, Longview Housing Authority and Joint Pacific County Housing Authority; Liz Mills, YWCA of Seattle, King and Snohomish Counties; Michele Thomas, Washington Low Income Housing Alliance; Michael Transue, Washington State Conference of Mason Contractors and Masonry Institute of Washington; Lua Pritchard, Asia Pacific Cultural Center; John Doan and Heidi Behrends Cernwey, City of Tumwater; Carl Schroeder, Association of Washington Cities; Gordon Beck, Office of Superintendent of Public Instruction; and Charlie Brown, Franklin-Pierce School District.

Persons Signed In To Testify But Not Testifying: None.