

HOUSE BILL REPORT

HB 1075

As Reported by House Committee On:
Capital Budget

Title: An act relating to the capital budget.

Brief Description: Concerning the capital budget.

Sponsors: Representative Tharinger; by request of Office of Financial Management.

Brief History:

Committee Activity:

Capital Budget: 1/13/17, 4/6/17, 4/7/17 [DPS].

Brief Summary of Substitute Bill

- Authorizes new appropriations of \$4.15 billion, of which \$2.47 billion is financed with bonds, along with reappropriations of \$2.57 billion for capital projects in the 2017-19 fiscal biennium.
- Authorizes state agencies to enter into alternative financing contracts totaling \$172 million.
- Reduces appropriations by \$90.38 million and reduces reappropriations by \$8.9 million for capital projects in the 2015-17 fiscal biennium.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives Tharinger, Chair; Doglio, Vice Chair; Peterson, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Johnson, Koster, Kraft, MacEwen, Macri, Morris, Reeves, Riccelli, Ryu, Sells, Steele, Stonier and J. Walsh.

Staff: Melissa Palmer (786-7388)

Background:

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.

Washington operates on a biennial budget cycle. The Legislature authorizes expenditures for capital needs in the State 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, over 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 biennial 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 2015-17 Capital Budget covers the period from July 1, 2015, through June 30, 2017.

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 Substitute Bill:

The 2017-19 Capital Budget authorizes new appropriations totaling \$4.15 billion, of which \$2.47 billion is financed with state general obligation bonds. It authorizes state agencies to enter into a variety of alternative financing contracts totaling \$172 million. It also authorizes reappropriations totaling \$2.57 billion for uncompleted projects approved in prior biennia.

The 2017 Supplemental Budget reduces appropriations by \$90.38 million and reduces reappropriations by \$8.9 million in the 2015-17 fiscal biennium.

Substitute Bill Compared to Original Bill:

The 2017-19 Capital Budget total appropriations are decreased by \$77 million. The amount funded with general obligations bonds is increased by \$65.9 million.

The 2017 Supplemental Budget reduces appropriation by \$98 million compared to the original bill. The amount state agencies are authorized to enter into in alternative financing is increased by \$37 million.

Appropriation: The sum of \$4.15 billion in new appropriations and \$2.57 billion in reappropriations in the 2017-19 biennium and reduces appropriations by \$90.38 million and a reduction of \$8.9 million in reappropriations in the 2015-17 biennium.

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 13, 2017, and April 6, 2017, recordings of the public hearing.

Persons Testifying: *Hearing Date January 13, 2017, on HB 1075.*

(In support of original bill) Casey Moore, Office of the Superintendent of Public Instruction; Rob Van Tassel, Catholic Housing Services; Choi Halladay, Pierce College; Cheryl Roberts, Shoreline Community College; Joyce Loveday, Clover Park Technical College; Chato Hazelbaker, Clark College; Michele Thomas, Washington Low Income Housing Alliance; Lorrel Noahr, Washington Education Association; Katy Warren, Early Childhood Education and Assistance Program; Cathy Garland, Childrens Home Society; Bruce Wishart, Sound Action; Doug Levy, Washington Recreation and Park Association, and Recreational Boating Association of Washington; Paul Simmons, Olympia Parks; Mike Schwisow, Washington State Water Resources Association; Briahna Murray, Yakima and Benton Counties; Urban Eberhart, Kittitas Reclamation Project; Steve Malloch, Western Water Futures; Joe Dacca, University of Washington; Kate White Tudor, Washington Association of Community and Migrant Health Centers; Carl Schroeder, Association of Washington Cities; Michael Moran, Eastern Washington University Alumni Association Board; Tom Bugert, The Nature Conservancy of Washington; Mitch Denning, Alliance of Educational Associations; Al Aldrich, North Sound Behavioral Health Organization; Darcy Nonemacher, Washington Environmental Council; Jessica Vavrus, Washington State School Directors' Association; Dennis Eagle, Washington Federation of State Employees; David Buri, Eastern Washington University; Benjamin Rowe, Associated Students of Eastern Washington University; Dave Peeler, Deschutes Estuary Restoration Team; Matthew Randazzo, Quinault Indian Nation; and Murray Greenwood, Ameresco Incorporated.

(Opposed to original bill) David Ortman, Alpine Lakes Protection; Ann Lewis, Yakima Basin Coalition; Naydene Maykut, Friends of Bumping Lake; Elaine Packard, Sierra Club; and Chris Mulik, Washington State University.

(Other on original bill) Dave Finet, Washington Community Action Partnership; Deborah Jensen, Washington Wildlife and Recreation Coalition; Wayne Marion, Washington Wildlife and Recreation Board; Becca Kenna-Schenk, Western Washington University; Sean Eagan, Port of Tacoma; Seth Dawson, Children's Advocacy Center of Washington; Andrea Harrison, Brigid Collins Family Support Center; Audrey Henley and Michael Stein, Olympia Film Society; Scott Cave, City of Quincy; Amanda Reed, Washington Association of Land Trusts; Laura Berg, Washington State Association of Counties; Mark Neary, Office of The Secretary of State; Steve Dupont, Central Washington University; Colleen Rust, The Evergreen State College; and Gerry O'Keefe, Washington Public Ports Association.

Hearing Date April 6, 2017, on PSHB 1075.

(In support of substitute bill) Abe Bergman, Luca Walker, and Katie Walker, Seattle Childrens PlayGarden; Michele Thomas, Washington Low Income Alliance; Kirk McClain,

Capitol Hill Housing; Liz Mills, YWCA Seattle, King, and Snohomish Counties; John Davies, Opportunity Council; Jeff Aslan, Sustainable Connections; Dave Finet, Washington State Community Action Partnership; Jessa Lewis, Tenants Union of Washington State; Philippa Nye, Ally Community Development; Mallory Hagel, Opal Community Land Trust; Robert Reese, Volunteers of America; Matt Zuvich, Washington Federation of State Employees; Colleen Rust, The Evergreen State College; Michael Moran and Bailey Stober, King County Assessor; Seth Dawson, National Alliance on Mental Illness and Washington Association for Children and Families; Terry Pottmeyer, Friends of Youth; Sean Eagan, Port of Tacoma; Jon Tienhaara, South Bend School District; Michael Groesch, Eastern Washington State Historical Society; Mitch Denning, Alliance of Educational Associations; Bob Ponti, Opportunities Industrial Center of Washington; Rick Richart, Richart Family Incorporated; Mike Selig, Clark County; David Buri, Eastern Washington University; Rob Van Tassell, Catholic Community Development and Housing Services; Hank Adams, Survival of the American Indian Association; Joyce Loveday, Clover Park Technical College; Bob Knight, Clark College; Ron Onslow, City of Ridgefield; Warren Brown, North Seattle College; Mara Machulsky, Stillaguamish Tribe of Indians; Tristan Klesick, Klesick Farms and Snohomish Sustainable Land Strategy; Krista Linden, Step by Step; Doug Levy, Cocoon House, Washington Recreation and Park Association, and City of Everett; Lorell Noahr, Washington Education Association; Gloria Burton, Farmworker Initiative; Jimmy Matta, Latino Civic Alliance; Mario Villanueva, Partners of Rural Washington; Melissa Johnson, Washington State Association of Headstart and Early Childhood Education and Assistance Program; Casey Moore, Office of the Superintendent of Public Instruction; Jessica Vavrus, Washington State School Directors' Association; Ken Taylor, Valley Cities; Miho Wright, Saint Mike's Tikes; Gary Sandwick and Josephine Tamayo Murray, Catholic Community Services; Kate White Tudor, Washington Association of Community and Migrant Health Centers; Ann Christian, Washington Behavioral Health Council; Gary Rowe, Washington State Association of Counties; Donna Patrick, Developmental Disabilities Council; Al Aldrich, North Sound Behavioral Health Organization; David Foster, Building for the Arts Coalition; Cindy Zehnder, NoaNet; Scott Richards, Washington Public Utility Districts Association; Carl Schroeder, Association of Washington Cities; Toni McKinley-Camp, Office of the Secretary of State; and Darcy Nonemacher, Washington Environmental Council.

(Opposed to substitute bill) Lydia Dawson, Habtamu Abdi, and Mulu Retta, Ethiopian Community Center.

(Other on substitute bill) Steve DuPont, Central Washington University; Joe Dacca, University of Washington; Jeff Bauknecht, Beth Mountsier, and Dennis Weber, Heritage Capital Project; Deborah Jensen, Washington Wildlife Recreation Coalition; Doug Doherty, Rocky Mountain Elk Foundation; Glenn Lamb, Columbia Land Trust; Maria Ruth, Friends of LBA Woods; Tom Bugert, The Nature Conservancy; Becca Kenna-Schenk, Western Washington University; Mike Rooney, Mount Baker Housing; Peter Dykstra, Trout Unlimited; Rand Elliot, Yakima County Commissioner; Dawn Vyvyan, Yakama Nation; Sameth Mell, Thyda Ros, and Hyan Ho, Mount Baker Housing Association; Bunthay Cheam, Cambodian American Community Council; David Yeaworth; Guillermo Rogel, Washington Student Association; Ann Lewis, Yakima Basin Coalition; Jeff Parsons, Puget Sound Partnership; Gerry O'Keefe, Washington Public Ports Association; Lissa Kramer, Heritage Capital Projects and Washington State Historical Society; Hanna Clark, Washington Association of Land Trusts; and Amber Carter, Port of Vancouver USA.

Persons Signed In To Testify But Not Testifying: None.