

HOUSE BILL REPORT

ESHB 1075

As Reported by House Committee On: Capital Budget

Title: An act relating to the capital budget.

Brief Description: Concerning the capital budget.

Sponsors: House Committee on Capital Budget (originally sponsored by 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], 1/9/18 [DP2S].

Brief Summary of Second Substitute Bill

- Authorizes new appropriations of \$4.2 billion for capital projects in the 2017-19 fiscal biennium.
- Authorizes state agencies to enter into alternative financing contracts totaling \$174 million.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass. Signed by 19 members: Representatives Tharinger, Chair; Doglio, Vice Chair; Peterson, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Dye, Eslick, Kraft, MacEwen, Macri, Morris, Reeves, Riccelli, Ryu, Sells, Steele, Stonier, Volz and Walsh.

Staff: Melissa Palmer (786-7388).

Background:

Washington operates on a biennial budget cycle. During the odd-numbered fiscal years, the Legislature historically 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

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expenditures. Historically, over one-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. During the even-numbered fiscal years, the Legislature historically enacts a supplemental budget making adjustments to the two-year budget. The Legislature did not authorize a Capital Budget or bond sales during the 2017 Legislative Session. The current 2017-19 biennium covers the period from July 1, 2017, through June 30, 2019. 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 Second Substitute Bill:

The 2017-19 Capital Budget authorizes new appropriations totaling \$4.2 billion, of which \$2.7 billion is financed with state general obligation bonds. It authorizes state agencies to enter into a variety of alternative financing contracts totaling \$174 million.

Second Substitute Bill Compared to Engrossed Substitute Bill:

The 2017-19 Capital Budget appropriations are increased by \$14.8 million. The amount funded with general obligations bonds is increased by \$39.8 million. The appropriations for the 2017 Supplemental Budget and reappropriations for prior authorized projects are not included.

Appropriation: The sum of \$4.2 billion in new appropriations in the 2017-19 biennium.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

See House Bill Report in the 2017 Legislative Session.

Persons Testifying:

See House Bill Report in the 2017 Legislative Session.

Persons Signed In To Testify But Not Testifying: None.