

SENATE BILL REPORT

SB 6095

As Reported by Senate Committee On:
Ways & Means, February 20, 2018

Title: An act relating to the capital budget.

Brief Description: Concerning the capital budget. [**Revised for 1st Substitute:** Concerning the supplemental capital budget.]

Sponsors: Senators Frockt, Mullet, Lias, Keiser and Saldaña; by request of Office of Financial Management.

Brief History:

Committee Activity: Ways & Means: 1/11/18, 2/19/18, 2/20/18 [DPS].

Brief Summary of First Substitute Bill

- Authorizes \$334 million in new capital projects for the 2018 supplemental budget of the 2017-19 fiscal biennium; of this total, \$186 is financed with state general obligation bonds.
- Includes \$64 million in authorizations for agencies and institutions of higher education to enter into alternative financing contracts.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6095 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair; Braun, Ranking Member; Honeyford, Assistant Ranking Member; Bailey, Becker, Billig, Brown, Carlyle, Conway, Darneille, Fain, Hasegawa, Hunt, Keiser, Mullet, Palumbo, Pedersen, Ranker, Rivers, Schoesler, Van De Wege, Wagoner and Warnick.

Staff: Richard Ramsey (786-7412)

Background: The programs and agencies of state government are funded on a two-year basis, with each fiscal biennium beginning on July 1 of odd-numbered years. The Capital Budget generally includes appropriations for the acquisition, construction, and repair of capital assets such as land, buildings, and other infrastructure improvements. Funding for the

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.

Capital Budget is primarily from state general obligation bonds, with other funding derived from various dedicated taxes, fees, and state trust land revenues.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (First Substitute): The enacted 2017-19 Capital Budget (SSB 6090) appropriated \$2,719 million from state bond proceeds from the net bond authorization (E2SHB 1080) of \$2,930 million. The remaining bond capacity was \$211 million.

SSB 6095 is the 2018 supplemental capital budget. This proposal makes new bond appropriations of \$186.3 million and \$148.5 million in cash accounts for a total appropriation of \$334.7 million. The bond capacity remaining for the 2019 supplemental Capital Budget is \$24.9 million. Reappropriation savings are \$94,000 in state bonds and \$50 million in other funds.

The major bond investments include:

Public Schools. The supplemental budget makes the following increases totaling \$66.2 million:

- School Construction Assistance Program - \$51.3 million;
- Distressed Schools - \$9 million; and
- Small Rural District Modernization Grants - \$6.0 million.

Higher Education. Funding is provided for designs of major projects at the State Board for Community and Technical Colleges (SBCTC), including:

- Cascadia Center for Science and Technology - \$3.4 million;
- Everett Community College: Learning and Resource Center - \$4.0 million;
- Grays Harbor College: Student Services and Instructional Building - \$4.2 million;
- North Seattle Library building Renovation - \$3.5 million; and
- Walla Walla Science and Technology Building Replacement - \$1.2 million.

Savings totaling \$17.5 million are taken for Facility Repairs, Minor Works, and Site Repairs. In addition, the budget authorizes \$112 million in alternative financed projects at the SBCTC.

Behavioral Health. The supplemental budget makes investments in state mental hospitals and community-based facilities, including:

- two additional forensic wards at Western State Hospital - \$27 million;
- Behavioral Health Community Capacity competitive grants - increased by \$33 million; and
- Behavioral Rehabilitation Services Capacity Grants - \$2 million.

Local and Community Projects. The Department of Commerce is provided \$24.5 million to make grants to local governments and nonprofit organizations statewide for a wide range of 57 community-based projects.

Natural Resources. The Healthy Housing Remediation Program is provided \$7 million, including \$5 million for Mount Baker Properties Cleanup and Affordable Housing Development. State Parks projects are funded at \$3.6 million above the 2017-19 enacted

capital budget. The Aquatic Land Enhancement Account is provided \$11.7 million; and 22 additional projects will be funded.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):

- Alters funding amounts within the Housing Trust Fund for projects affecting Seattle modular housing and Valley Cities modular housing in Auburn.
- Expands purposes of the rural broadband program to include community development, authorize grants in addition to loans and provide that no loan or grant may exceed \$250,000.
- Provides \$721,000 for two additional local and community projects in Mukilteo and Everett.
- Clarifies the underlying Columbia River Water Supply program funding for a 47.5 mile canal and a pump station.

Appropriation: Various.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Bill: Please refer to the January 11, 2018, recording of the public hearing on the Senate AV Capture All website at <http://leg.wa.gov/Senate/Committees/Pages/avcaaudio.aspx>.

Persons Testifying: K-12 Public Schools. PRO: Mitch Denning, Alliance of Educational Associations; Brian Sims, Washington State School Directors Association; Kirk Pawlowski, ESD 112 Construction Services Group.

Higher Education. PRO: David Buri, Eastern Washington University; Wayne Doty, State Board for Community and Technical Colleges; Marty Mattes, Bates Technical College; Eric Murray, Cascadia College.

Natural Resources. PRO: Doug Levy, Washington Recreation & Park Association and Recreational Boating Association of Washington; Lisa Pelly, Trout Unlimited; Scott Revell, Roza Irrigation District; Darcy Nonemacher, Washington Environmental Council; Seamus Petrie, Washington Public Employees Association.

All Other. PRO: Marie Sullivan, Quinault Indian Nation; Amber Carter, Identify Clark County and Port of Vancouver; Shawn Collins, Opportunity Council.

Persons Signed In To Testify But Not Testifying: K-12 Public Schools. No one.

Higher Education. No one.

Natural Resources. No one.

All Other. No one.

Staff Summary of Public Testimony on Proposed Substitute: Please refer to the February 19, 2018, recording of the public hearing on the Senate AV Capture All website at <http://leg.wa.gov/Senate/Committees/Pages/avcaaudio.aspx>.

Persons Testifying: K-12 Public Schools. PRO: Jessica Vavrus, Washington State School Directors' Association; Lisa Dawn-Fisher, Office of the Superintendent of Public Instruction.

Higher Education. PRO: David Beyer, Everett Community College; Jim Minkler, Grays Harbor College; Kevin McKay, Vice President, Finance & Operations; Wayne Doty, State Board for Community and Technical Colleges.

Natural Resources. PRO: Doug Levy, Washington Recreation and Park Association; Jennifer Ziegler, City of Edmonds; Brian Adams, Director, Skagit County Parks and Recreation.

Mental Health. OTHER: David Lord, Disability Rights Washington.

All Other. PRO: Anna Johnson, Joint Animal Services, Thurston County Law Enforcement; Mary Alice Grobins, Chair, Central Skagit Rural Partial County Library District; Julia Johnson, Mayor, City of Sedro-Woolley.

CON: Donna Patrick, Developmental Disabilities Council; Diana Stadden, Arc of Washington State; Ivanova Smith, Self Advocates in Leadership.

OTHER: Marie Sullivan, Quinault Indian Nation; Jeff DeLuca, Washington State Community Action Partnership; Amber Carter, Port of Vancouver and Identity Clark County

Persons Signed In To Testify But Not Testifying: K-12 Public Schools. No one.

Higher Education. No one.

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