

HOUSE BILL REPORT

HB 2324

As Reported by House Committee On: Capital Budget

Title: An act relating to capital budget.

Brief Description: Concerning the capital budget.

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

Brief History:

Committee Activity:

Capital Budget: 1/14/20, 2/25/20, 2/27/20 [DPS].

Brief Summary of Substitute Bill

- Authorizes new appropriations of \$300 million in total funds, of which \$89 million is financed with state general obligation bonds.
- Authorizes \$13 million in alternatively financed projects.
- Reduces total project costs from reappropriated projects by \$19.3 million.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 25 members: Representatives Tharinger, Chair; Callan, Vice Chair; Doglio, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Steele, Assistant Ranking Minority Member; Corry, Davis, Dye, Eslick, Gildon, Harris, Irwin, Jenkin, Leavitt, Lekanoff, Maycumber, Morgan, Pellicciotti, Peterson, Riccelli, Santos, Sells, Stonier and Walsh.

Staff: Kelci Karl-Robinson (786-7116).

Background:

Washington operates on a biennial budget cycle. During 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

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passage of a bond bill associated with the Capital Budget to fund a portion of these expenditures. During even-numbered fiscal years, the Legislature historically enacts a supplemental budget making adjustments to the two-year budget. The current 2019-21 biennium covers the period from July 1, 2019, through June 30, 2021. 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 kindergarten through grade 12 school construction, and grant and loan programs that support housing, public infrastructure, community service facilities, and art and historical projects. Historically, over one-half of the Capital Budget is financed by state-issued general obligation bonds, and the remaining portion is funded by dedicated accounts, trust revenue, and federal funding sources.

Summary of Substitute Bill:

A total of \$300 million is appropriated for capital projects, of which \$89 million is financed through general obligation bond proceeds. An additional \$13 million is authorized in alternative financing contracts for specific projects. Total project costs from reappropriations are reduced by \$19.3 million.

Substitute Bill Compared to Original Bill:

The substitute bill increases state bond appropriations by \$10.5 million and makes other changes. See leap.wa.gov for additional information.

Appropriation: This bill contains multiple appropriations. Please refer to the bill and supporting documents.

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 14, 2020, recordings of the public hearing on the original bill.

Please refer to the February 25, 2020, recordings of the public hearing on the proposed substitute bill.

Persons Testifying: *Hearing date January 14, 2020, on the original bill.*

(In support of the original bill) Representative Tharinger, prime sponsor; Jeremy Mohn, The Evergreen State College; Brian Sims, Washington State School Directors Association and Evergreen School District 112; Matt Zuvich Washington Federation of State Employees; Cheryl Roberts, Shoreline Community College; Shouan Pan, Seattle Colleges District; Tyler Muench, Office of the Superintendent of Public Instruction; Chris Mulick, Washington State University; Steve DuPont, Central Washington University; Michele Thomas, Washington Low Income Housing Alliance; and Gerry O'Keefe, Washington Public Ports Association.

(Opposed to the original bill) None.

(Other testimony on original bill) Marie Sullivan, Eastern Washington Quality Schools Coalition; David Lord, Disability Rights Washington; Amber Carter, Identity Clark County and Port of Vancouver; and Adrienne Stuart, Developmental Disabilities Council.

Hearing date February 25, 2020, on the proposed substitute bill.

(In support of the substitute bill) Representative Tharinger, prime sponsor; Lauren Fey Downtown Emergency Service Center; Erica Hallock, Fight Crime: Invest in Kids, Early Learning Action Alliance; Wayne Doty, State Board for Community and Technical Colleges; Tyler Muench, Office of the Superintendent of Public Instruction; Kelli Larsen, Plymouth Housing Group; Korbie Jorgensen Haley, Office of Rural and Farmworker Housing; Lisa Wolters, Association of Washington Housing Authorities; Michael Pugsley, Ashley House; Cynthia Stewart, League of Women Voters; Jeff DeLuca, Washington Community Action Partnership, Nick Federici, Washington Low Income Alliance; Matt Zuvich, Washington Federation of State Employees; Mitch Denning, Alliance of Education Associations; David Buri, Eastern Washington University; Steve DuPont, Central Washington University; Donna Patrick, Developmental Disabilities Council; Joel Zylstra, Franklin Pierce Schools; Gerry O'Keefe, Washington Public Ports Association; Doug Levy, Washington Recreation and Parks Association and Recreational Boating Association of Washington; and Derek Zable, Criminal Justice Training Commission.

(Opposed to the substitute bill) David Lord, Disability Rights Washington; Lisa Thatcher, Eastern Washington Historical Society; and Morgan Hickel, University of Washington.

(Other testimony on the substitute bill) Amber Carter, Identity Clark County; Brian Sims, Washington State School Directors Association; Chris Mulick, Washington State University; Ivanova Smith, Self Advocates in Leadership; Mara Machulskey and Karin Berkholtz, Public Works Board; Lynn French, Central District Community Preservation and Development Authority; Abdirisak Ahmed, Abubakr Islamic Center of Washington; Kenny Pittman, Catholic Community Services of Western Washington; Logan Bahr, Association of Washington Cities; Aaron Czyzewski, Food Lifeline; and Dawn Vyvyan, Yakima Nation.

Persons Signed In To Testify But Not Testifying: None.