
Capital Budget Committee

HB 1080

Brief Description: Concerning the capital budget.

Sponsors: Representatives Tharinger, Leavitt, Wylie, Callan and Hackney; by request of Office of Financial Management.

Brief Summary of Bill

- Appropriates \$6.5 billion in new capital projects in the 2021-23 fiscal biennium, of which \$4.7 billion is financed through new state general obligation bond issuances.
- Reappropriates \$4.7 billion in capital projects authorized in prior biennia, of which \$3.0 billion is from prior bond authorizations.
- Authorizes state agencies and higher education institutions to enter into alternative financing contracts totaling \$235.5 million.
- Reduces total funding in the 2019-21 fiscal biennium by \$13.8 million, of which \$4.3 million is state general obligation bond authority.

Hearing Date: 1/14/21

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

Background:

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 it authorizes bond sales through passage of a bond bill associated with the Capital Budget to fund a portion of these expenditures. Over the past four biennia, over 60 percent of the Capital Budget was financed by state-issued general obligation bonds, and the balance is

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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. The 2021-23 Capital Budget covers the period from July 1, 2021 through June 30, 2023.

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 Bill:

The 2021-23 Capital Budget authorizes new appropriations totaling \$6.5 billion, of which \$4.7 billion is financed through new general obligation bond proceeds. The 2021-23 Capital Budget includes reappropriations of \$4.7 billion for capital projects authorized in prior biennia, of which \$3.0 billion is financed from prior bond authorizations. State agencies are authorized to enter into alternative financing contracts totaling \$235.5 million. The 2021 Supplemental Capital Budget reduces total funding in the 2019-21 fiscal biennium by \$13.8 million, of which \$4.3 million is state general obligation bond authority.

This is the Governor's Capital Budget proposal for the 2021-23 biennium and the 2021 Supplemental Budget for the 2019-21 biennium. Supporting documents prepared by the Office of Financial Management may be found at <https://www.ofm.wa.gov/budget/state-budgets>.

Appropriation: The bill contains appropriations from various accounts.

Fiscal Note: Not requested.

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