

HOUSE BILL REPORT

HB 1969

As Reported by House Committee On: Capital Budget

Title: An act relating to requiring the public works board to submit ranked project lists.

Brief Description: Requiring the public works board to submit ranked project lists.

Sponsors: Representatives Hawkins, Dunshee, Appleton, Stanford, Takko, Warnick, Magendanz, Fey, Tarleton and Smith.

Brief History:

Committee Activity:

Capital Budget: 2/28/13 [DPS].

Brief Summary of Substitute Bill

- Requires the Public Works Board to numerically rank applications, consider at least 11 factors in assigning the rank, and submit to legislative fiscal committees an annual ranked list of qualified construction projects recommended for funding.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Dunshee, Chair; Stanford, Vice Chair; Warnick, Ranking Minority Member; Hawkins, Assistant Ranking Minority Member; Fey, MacEwen, Riccelli, Scott, Smith and Stonier.

Minority Report: Without recommendation. Signed by 1 member: Representative Appleton.

Staff: Meg VanSchoorl (786-7105).

Background:

Public Works Assistance Account.

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.

The Public Works Assistance Account (Account) was established in 1985 to encourage local government self-reliance in meeting public works needs, and assist in financing critical infrastructure projects. Moneys in the Account must be used to make loans and give financial guarantees, and may also be appropriated to provide state match for federal dollars under the Drinking Water State Revolving Fund. Loan repayments and revenues from three tax sources have historically been deposited into the Account.

Public Works Financing, Criteria, and Process.

The Public Works Board (Board) may make low-interest or interest-free loans from the Account to finance the acquisition, construction, repair, replacement, or improvement of local: bridges, streets, and roads; water systems; storm and sanitary sewage systems; and solid waste facilities, including recycling. For up to a maximum of 15 percent of the biennial capital budget appropriation, the Board may make loans for pre-construction, emergency, and capital facilities planning. Local governments and special purpose districts, except port and school districts, are eligible to apply for loans from the Account. The Board may provide technical assistance. Existing debt or financial obligations may not be refinanced.

The Board must consider a number of factors in prioritizing projects: health and safety; unemployment rate; the Puget Sound Partnership Action Agenda; fiscal distress; permitting processes; relative project costs; number of communities served or funding the project; water system health and safety violations; Evergreen community recognition; and relative project benefits.

By November 1 of each even-numbered year, the Board must develop and submit to legislative fiscal committees a prioritized recommended funding list of public works construction projects. The Legislature may remove projects from the list, but may not change the priority order of the Board's recommendations. Funds cannot be obligated by the Board until the Legislature has appropriated funds for a specific list of projects.

Public Works Board-Membership.

The Board is staffed by the Department of Commerce and includes 13 voting members: two elected officials and one public works manager representing cities; two elected officials and one public works manager representing counties; three members representing public utility and water-sewer districts; and four members representing the general public.

Summary of Substitute Bill:

By November 1 of every year, the Board must develop and submit to legislative fiscal committees a ranked list of qualified public works construction projects recommended for funding. The maximum amount of funds that the Board may recommend for any one project is \$10 million. The Legislature may remove projects from the list, but may not change the ranked order of the projects recommended for funding. Funds cannot be obligated by the Board until the Legislature has appropriated funding for a specific list of projects.

The Board must develop a process for numerically ranking applications and must establish the ranked list based, at a minimum, on consideration of the following 11 factors, in any

order: critical nature of the project and its health and safety impact on a large percentage of the community; leverage of nonstate funds; readiness to proceed to construction; system consolidation or regionalization; the area's relative unemployment rate; system management; promotion of sustainable resource use and environmental quality; encouragement of economic development through mixed-use and mixed-income development; extent to which the project meets the identified state policy objectives; equitable distribution of funds by geography and population; and other Board-determined criteria.

The Board must document the numerical ranking assigned to each project on the recommended list and to each eligible project not recommended for funding.

Substitute Bill Compared to Original Bill:

The Board must submit the ranked list of public works projects recommended for funding to legislative fiscal committees annually, rather than biennially. The Board must consider 11, rather than seven, factors in assigning the numerical ranking. These factors may be considered in any order, rather than in descending order of priority. The Board must document the numerical ranking assigned to each project, rather than the numerical rating assigned to each evaluation factor.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) It makes sense to require a list of ranked projects, so that if a line needs to be drawn due to insufficient funding for the entire list, the Legislature can be sure that it is funding the top projects. Public utility districts sponsor a range of projects, depending on where they are located, the systems they have, and the populations that they serve. Public utility districts would like to look at the bill and the proposed substitute bill to make sure that the ranking process and criteria accurately reflect these differing needs.

(Opposed) None.

Persons Testifying: Representative Hawkins, prime sponsor; and Bill Clarke, Washington Public Utility Districts Association.

Persons Signed In To Testify But Not Testifying: None.