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## Capital Budget Committee

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### HB 1102

**Brief Description:** Concerning the capital budget.

**Sponsors:** Representative Tharinger; by request of Office of Financial Management.

#### Brief Summary of Bill

- Authorizes new appropriations of \$4.86 billion and reappropriations of \$4.1 billion for capital projects in the 2019-21 fiscal biennium.
- Authorizes state agencies to enter into alternative financing contracts totaling \$78.5 million.
- Reduces new appropriations by \$10.8 million and reduces reappropriations by \$1.55 million in the 2017-19 fiscal biennium.

**Hearing Date:** 1/17/19

**Staff:** Melissa Palmer (786-7388).

#### 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 authorizes bond sales through passage of a bond bill associated with the Capital Budget to fund a portion of these expenditures. Over the past five biennia, on average 60 percent of the Capital Budget was financed by these state-issued general obligation bonds, and the balance is 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 2019-21 Capital Budget 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

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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 2019-21 Capital Budget authorizes new appropriations totaling \$4.86 billion, of which \$3.38 billion is financed with state general obligation bonds. It authorizes state agencies to enter into a variety of alternative financing contracts totaling \$78.5 million. It also authorizes reappropriations totaling \$4.1 billion for uncompleted projects approved in prior biennia.

The 2019 Supplemental Capital Budget has a net decrease in new appropriations of \$10.8 million. It also reduces reappropriations by \$1.55 million.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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