

SENATE BILL REPORT

EHB 1428

AS REPORTED BY COMMITTEE ON WAYS & MEANS, APRIL 4, 1991

Brief Description: Altering budget request requirements.

SPONSORS: Representatives Neher, H. Sommers and Schmidt; by request of Office of Financial Management.

HOUSE COMMITTEE ON CAPITAL FACILITIES & FINANCING

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Bailey, Bauer, Bluechel, Gaspard, Johnson, L. Kreidler, Metcalf, Murray, Newhouse, Niemi, Owen, Rinehart, L. Smith, Talmadge, West, Williams, and Wojahn.

Staff: Mike Groesch (786-7715)

Hearing Dates: April 2, 1991; April 4, 1991

BACKGROUND:

The payment of the state's debt is the first obligation on the state's revenues. Statutory provisions and bond covenants require the State Treasurer to transfer pledged revenues for debt service payments directly into debt service accounts. Currently, debt service payments are treated as deductions to revenue and do not appear in the budget bill as expenditures. This practice does not provide visibility to the cost of the capital budget expenditures.

SUMMARY:

The Budget and Accounting Act is amended to require the Governor's capital budget request to include a capital plan which shows proposed capital spending for ten years. This requirement is in addition to the current six-year capital plan.

The capital appropriation bill shall include the estimated general fund debt service costs of new appropriations. That estimate shall show the debt service payments over six years.

Appropriation: none

Revenue: none

Fiscal Note: none requested

SUMMARY OF PROPOSED SENATE AMENDMENT:

Language in the bill is clarified requiring state capital budget appropriations to be spent in proportion to any required match.

TESTIMONY FOR:

The state is attempting to improve the capital management and budgeting process. A long range plan will help in that effort and provide better management of capital resources.

TESTIMONY AGAINST: None

TESTIFIED: Carol Cheatle, Office of Financial Management (pro)