

SENATE BILL REPORT

SHB 1080

As of Second Reading

Title: An act relating to the capital budget.

Brief Description: Concerning the capital budget.

Sponsors: House Committee on Capital Budget (originally sponsored by Representatives Tharinger, Leavitt, Wylie, Callan and Hackney; by request of Office of Financial Management).

Brief History: Passed House: 4/2/21, 98-0.

Brief Summary of Bill

- Appropriates \$5.7 billion in new capital projects in the 2021-23 fiscal biennium, of which \$3.6 billion is financed through new state general obligation bond issuances.
- Reappropriates \$4.5 billion in capital projects authorized in prior biennia, of which \$2.9 billion is from prior bond authorizations.
- Authorizes state agencies and higher education institutions to enter into alternative financing contracts totaling \$236 million.
- Reduces total funding in the 2019-21 fiscal biennium by \$44.4 million, of which \$8.2 million is state general obligation bond authority.

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Background: Washington operates on a biennial budget cycle. The Legislature authorizes expenditures for capital needs in the 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 funded by

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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 kindergarten through grade 12 (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 \$5.7 billion, of which \$3.6 billion is financed through new general obligation bond proceeds. The 2021-23 Capital Budget includes reappropriations of \$4.5 billion for capital projects authorized in prior biennia, of which \$2.9 billion is financed from prior bond authorizations. State agencies are authorized to enter into alternative financing contracts totaling \$236 million. The 2021 Supplemental Capital Budget reduces total appropriations and reappropriations in the 2019-21 fiscal biennium by \$44.4 million, of which \$8.2 million is state general obligation bond authority.

Additional detailed information may be found at:
<http://leap.leg.wa.gov/leap/budget/detail/2021/hc2123Bien.asp>

Appropriation: The bill contains multiple appropriations.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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