

From the beginning of the 2015 legislative session, we sought to address state priorities within existing bond capacity and work toward bipartisan agreements on the 2015-17 capital budget. We identified these priorities as: K-12 and higher education school construction; increasing mental health bed capacity; mitigation for the current drought; housing for veterans and vulnerable individuals; flood hazard mitigation; and important local community projects. In the end, these priorities were met as bipartisan compromises were reached.

2015-17 capital budget | House Bills 1115 and 1166

- **House Bill 1115** implements the 2015-17 capital budget, and **House Bill 1166** authorizes the bonds to pay for those expenditures.
- The capital budget had an overall bond capacity of approximately \$2.3 billion. Bond capacity is based off of a percentage of the operating budget.

Breakdown of 2015-17 capital budget spending

- The 2015-17 capital budget spends a total of \$3.7 billion. Of the \$3.7 billion, \$2.2 billion is paid for through general obligation (GO) bonds and \$1.5 billion is spent using other funding sources, including certificates of participation, dedicated accounts, trust revenue and federal funds.
- **House Bill 1166**, authorizes the purchase of \$2.2 billion in GO bonds and required a 60 percent vote for passage (59 “yes” votes).
- The capital budget leaves remaining bond capacity of \$89 million for 2016 supplemental appropriations.
- Significant investments were made in several important areas:
 - \$1.6 billion into K-12 and higher education, including additional classroom space to accommodate lower K-3 class sizes and support for our state’s four-year and community and technical colleges.
 - A little more than \$1 billion will be distributed amongst natural resource programs such as state parks, water conservation, eco-hazard clean up, and outdoor recreation.
 - \$85 million will go into energy sector programs, including the Community Energy Efficiency Program, Clean Energy and Energy Freedom Program, and Weatherization Matchmaker.
 - \$75 million will be provided to the Housing Trust Fund for loans and grant projects that provide housing for low-income individuals and families, including 80 units for veterans.
 - \$38 million will go to land acquisitions in the Washington Wildlife and Recreation Program.
 - Allocations to state hospitals, including ward additions, patient safety improvements and other preservation projects, were made (in coordination with mental health investments in the operating budget).
 - \$36 million will go to the health, preservation and safety of our correctional institutions, including re-opening Maple Lane as a facility for offenders with mental illnesses.
 - \$16 million will be used for statewide drought response (as authorized by the operating budget).
 - Although no new projects were funded through the Public Works Assistance Account due to a transfer to the operating budget, \$11 million will be provided to continue previously approved projects.

Bills of interest

- **Senate Bill 6080** provides \$200 million in grants to help school districts expand the number of classrooms in support of K-3 class-size reductions, and requires Washington State University to physically visit and inventory classroom space to provide a more accurate assessment of school district needs.
- **House Bill 2212** exempts hospitals from Certificate of Need requirements for the addition of psychiatric beds funded by grants from the Department of Commerce.

More information

- <http://www.fiscal.wa.gov/BudgetC.aspx>
- <http://www.fiscal.wa.gov/BudgetCBillsSenate.aspx>
- <http://www.fiscal.wa.gov/CapitalLists.aspx>
- <http://www.ofm.wa.gov/budget/instructions/capital.asp>
- <http://leg.wa.gov/House/Committees/CB>
- http://leg.wa.gov/House/Committees/CB/Documents/2015/CB_BriefingBook.pdf
- <http://leap.leg.wa.gov/leap/budget/leapdocs/capdocs.asp>