

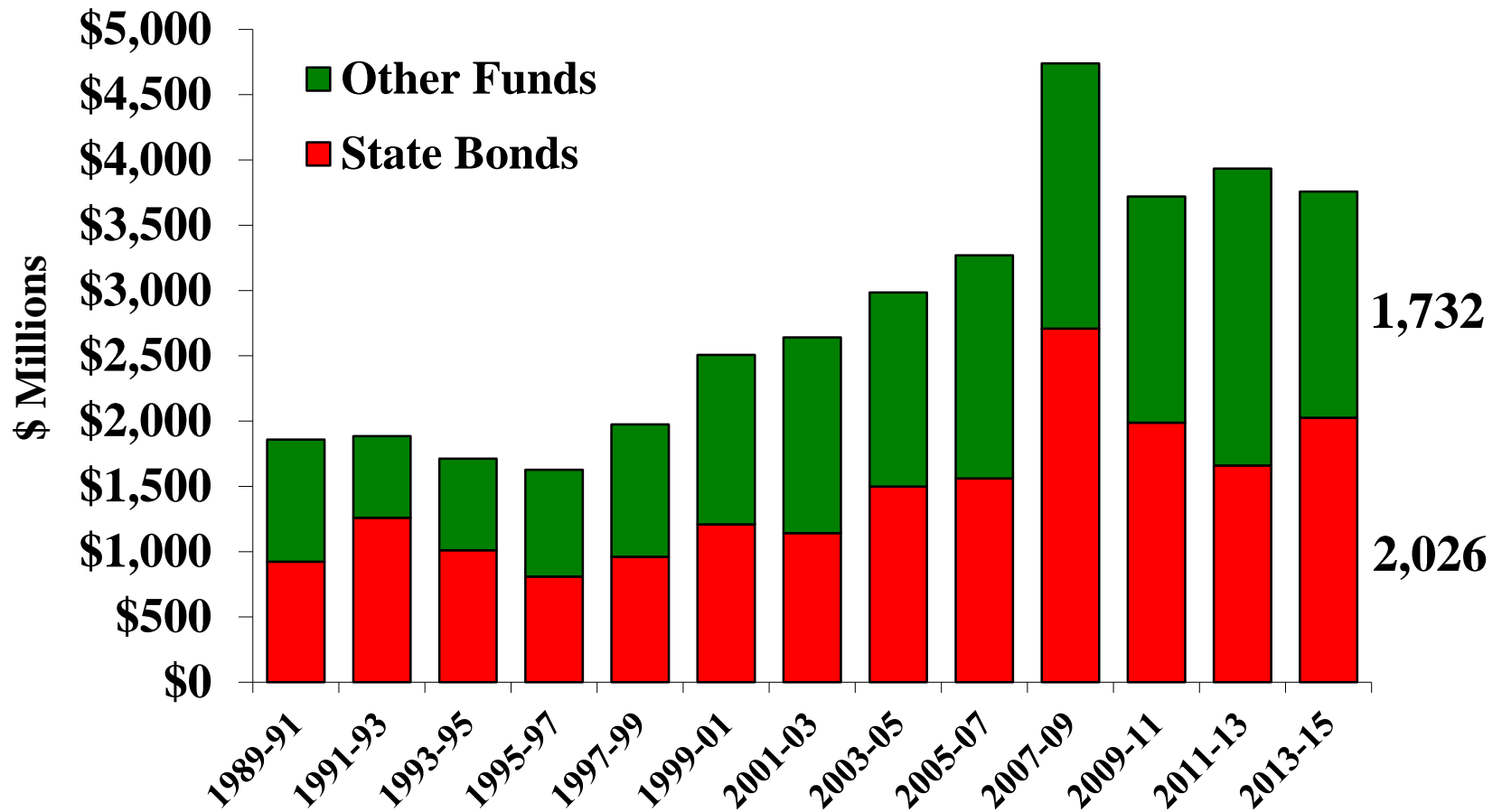
2014 CAPITAL BUDGET

SESSION PREVIEW

November 2013

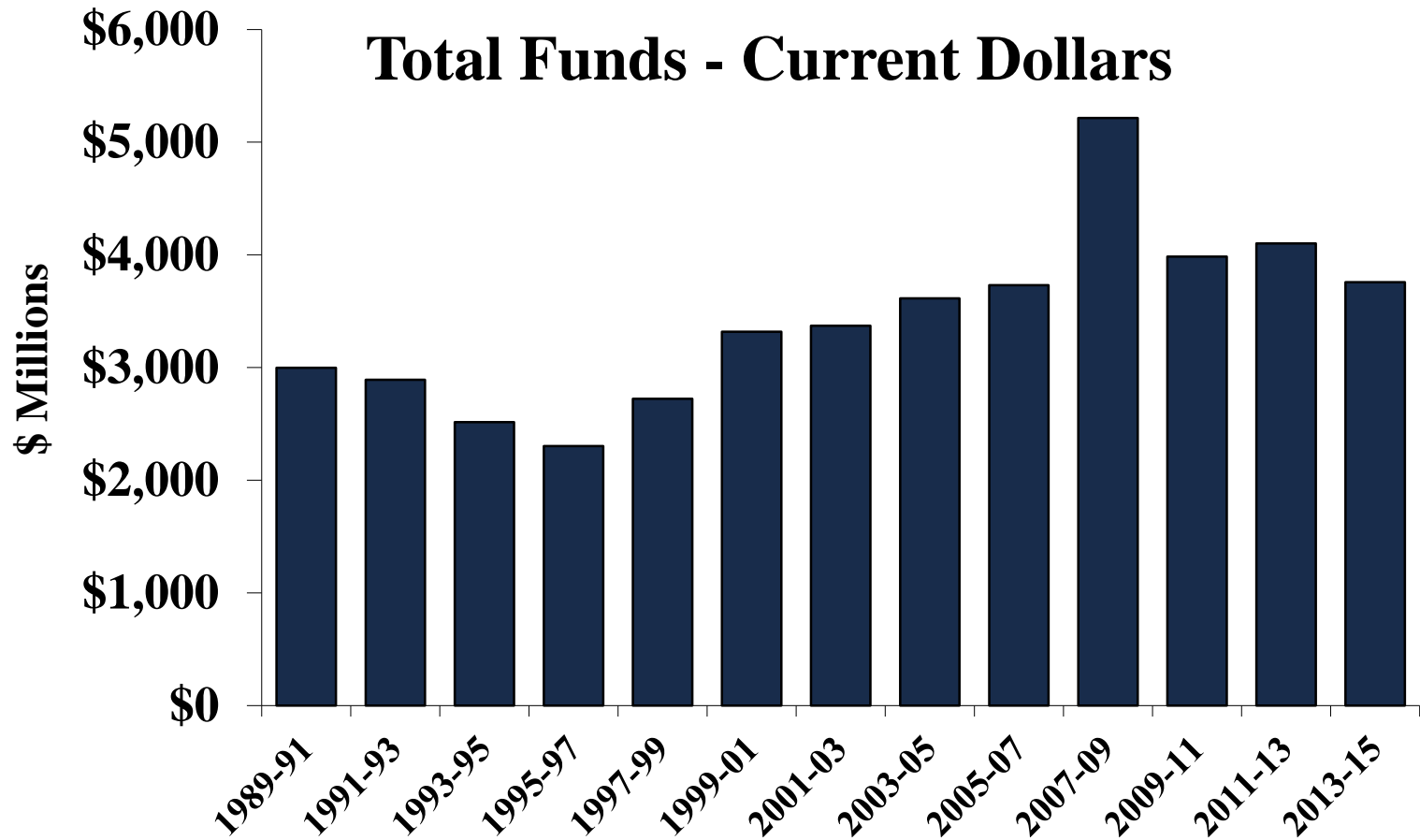
The 2013-15 capital budget, after the November supplemental, totals \$3.8 billion

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The capital budget, adjusted for inflation, has returned to the level before the “bubble”

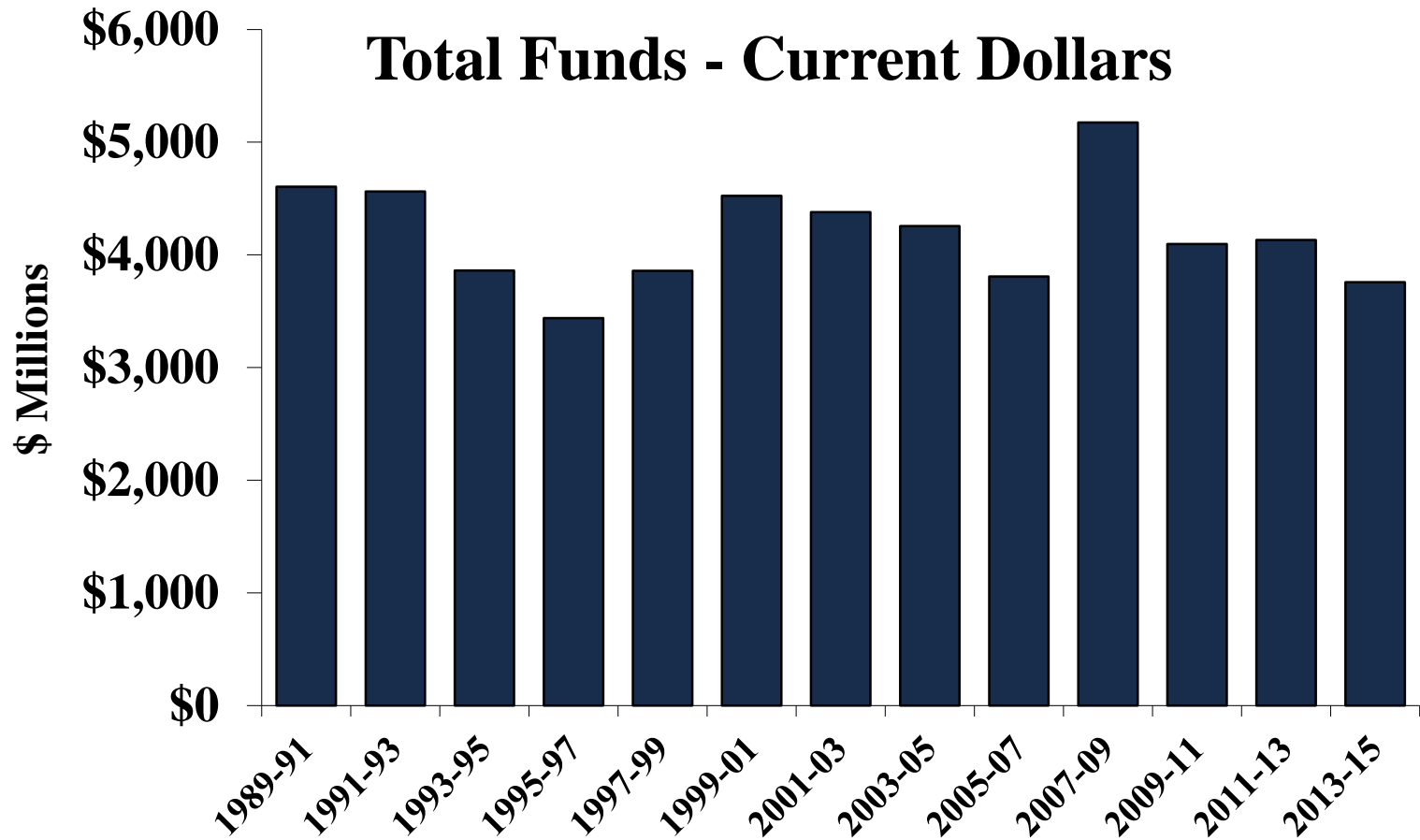
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Note: Inflation adjustment is biennial change in IPD

The capital budget remains slightly below the long term average when adjusted for the price inflation for structures

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Note: Inflation adjustment is biennial change in IPD for structures

Existing bond authority available for 2014 supplemental is \$97 million

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	\$ Millions
Net Bond Bill Authorization	2,015
2013-15 + 2013 Supplemental Appropriations (not including appropriations of bonds previously authorized)	1,916
Plus November 2013 Supplemental Appropriations (EHB 2088)	6.5
Less Drinking Water Match Adjustment Elimination of double-funded projects	(5.4)
Total Appropriations	1,917
Amount Remaining Under Existing Bond Authorization Bill	97

Future bond capacity has dropped due to accelerated bond issuance and an increase in forecasted interest rates

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	Enacted	After STO Cash flow Revisions	After Sept Forecast & Refunding
2015-17	1,974	1,942	1,851
2017-19	2,132	2,098	1,999
2021-23	2,303	2,265	2,159

Future bond capacity will decline further if remaining bond authority is appropriated

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	Enacted	After STO Cash flow Revisions	After Sept Forecast & Refunding	If Remaining Authority is Appropriated
2015-17	1,974	1,942	1,851	1,822
2017-19	2,132	2,098	1,999	1,968
2021-23	2,303	2,265	2,159	2,125

Issues in the 2014 Session for the capital budget

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- ✓ Estimated \$37 million shortfall in school construction assistance program
- ✓ Preparing for 2015-17 and beyond. With less volatility in bond capacity, are there improvements in long range allocation of capital resources to support operating budget priorities?
 - ✓ How can capital budgets for K-12 better support improved educational outcomes?
 - ✓ What is the state's appropriate role for supporting local governments' infrastructure?
 - ✓ How should very large capital projects, like water supply and flood control facilities, be financed—what kind of debt and how to service that debt?