PLEASE OPPOSE SSJR 8215
DEBT LIMIT REDUCTION

Some Key Reasons To Oppose SSJR 8215:

• **Reduces legislative flexibility**
  o Cuts as much as $8.6 Billion in capacity over the next 20 years
  o Forces use of more expensive financing methods (ie COP; 63-20)
    ▪ These options cost up to a full interest point higher than bonds
    ▪ The extra financing costs would also be borne by the operating budget
  o Could force stealing money from other needed investments, like sewer and stormwater treatment, higher education and community recreation facilities
  o At its core, Capital Budget investments represent what citizens expect from their government – the provision of that which they can’t (nor shouldn’t be expected to) provide for themselves without government participation.

• **Jeopardizes tens of thousands of jobs**
  o From 90,000 to 125,000 over 20 years
  o Not only construction industry jobs, but jobs lost over the entire economy

• **Bond financing is essential**
  o Allows the earlier benefit from the schools, safe drinking water, wastewater treatment systems and the myriad of other projects funded by debt-financing
  o Spreads the cost of construction to the future taxpayers who will benefit from projects

• **Debt is NOT a four-letter word** when it comes to construction
  o Mortgage debt isn’t credit card spending
  o Most businesses budget between 6% and 8% for their "mortgage" (facility costs).

• **Could cause property tax increases**
  o Washington provides more local community assistance than many other states for capital projects. SSJR 8215 pushes more of the costs for schools, wastewater, stormwater and other projects onto local governments
    ▪ Reducing state support will force local governments and school districts to find more locally-generated funding
      • Their only realistic source is property tax increases
      • Increases inequities between property-rich and other communities

May 22, 2011
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These organizations oppose SSJR 8215:

**Washington Construction Industry Council Membership**
- 17 Washington Construction and Design Organizations
  - Including AGC, Architects (AIA), and Mason Contractors’ Conference

**Mechanical Contractors Association of Western Washington**

**National Electrical Contractors Association**
- 3 Washington Chapters

**Washington State Building & Construction Trades Council**
- 16 Councils and Associations
  - More than 70 local unions from 15 Trades and Crafts

**Washington Environmental Council**
- 54 Washington Organizations

**Washington Low Income Housing Alliance**
- 120 Washington Organizations