
Capital Budget Committee

HB 2278

Brief Description: Prioritizing higher education capital projects.

Sponsors: Representatives Dunshee, Jarrett, Kenney, Cox, Ormsby, Newhouse and Shabro.

Brief Summary of Bill

- Requires the prioritized list of proposed capital projects from the public four-year institutions of higher education to be based on a point system that incorporates three principles: statewide priorities, as established by the Legislature in concurrent resolution; preservation, as measured by a facility condition index; and utilization, as measured by utilization standards.
- Prohibits the list from being implemented by assigning an equal number of points to each institution.

Hearing Date: 3/7/05

Staff: Barbara McLain (786-7383).

Background:

For a number of years, the State Board for Community and Technical Colleges has submitted as part of its biennial budget request, a single prioritized list of capital projects proposed for the community and technical college system. Legislation enacted in 2003 required the six public four-year institutions of higher education also to submit a single prioritized list of proposed projects, beginning with the 2005-07 budget.

The process outlined in statute allows aggregation of minor works projects into categories which are then ranked within the overall list. For repairs and improvements, the rating of individual projects must be based on such factors as age and condition of buildings, programmatic suitability of the building or system, and activities or occupancy levels of the building. For new space, the rating must include measuring existing capacity and progress toward meeting increased space utilization.

The Higher Education Coordinating Board (HECB) was required to prepare a criteria framework as part of its biennial budget guidelines that included common definitions, categories, and a rating system. The prioritized list was then prepared by the four-year institutions in consultation with the Council of Presidents and the HECB, and approved as a whole by each Board of Regents or

Trustees. The final list for 2005-07 totals \$504 million in proposed minor works, renovation, and expansion projects.

Summary of Bill:

Beginning with the 2007-09 biennial budget, individual capital projects from the public four-year institutions of higher education, other than minor works, must be rated and ranked according to a point system that incorporates the following principles:

1. Statewide priorities. The Legislature will establish statewide priorities and guidance for a point system for capital projects at the four-year institutions through concurrent resolution. These may include expanding capacity in particular academic programs, addressing demand for new capacity in different geographic regions, implementing particular service delivery models, or improving alignment between capital and operating budgets. The statewide priorities could also be incorporated in performance contracts negotiated between the state and the institutions.
2. Preservation. For renovation projects, the rating must be based first on the facility condition index for the building as established by the Joint Legislative Audit and Review Committee. Institutions with a higher level of preservation receive a greater number of points.
3. Utilization. For new space, the rating must be based first on the utilization of existing space as measured by HECB standards. Institutions with higher space utilization receive a greater number of points.

Minor works projects may still be aggregated as long as each project meets the Office of Financial Management's (OFM) definition of minor works. The project ranking cannot be implemented by assigning an equal number of points to each institution, but must reflect an assignment of points to individual projects.

The HECB must include the new principles in its biennial budget guidelines. As the project ranking is developed, staff from OFM and legislative committees must be included in the discussions.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.