
SUBSTITUTE HOUSE BILL 1898

State of Washington 61st Legislature 2009 Regular Session

By House Capital Budget (originally sponsored by Representatives Dunshee, Warnick, and Pearson)

READ FIRST TIME 02/23/09.

1 AN ACT Relating to setting priorities for higher education capital
2 projects; and amending RCW 43.88D.010.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 43.88D.010 and 2008 c 205 s 2 are each amended to read
5 as follows:

6 (1) By October 15th of each even-numbered year, the office of
7 financial management shall complete an objective analysis and scoring
8 of all capital budget projects proposed by the public four-year
9 institutions of higher education and submit the results of the scoring
10 process to the legislative fiscal committees, the higher education
11 coordinating board, and the four-year institutions(~~(, except that, for~~
12 ~~2008, the office of financial management shall complete the objective~~
13 ~~analysis and scoring by November 1st)~~). Each project must be reviewed
14 and scored within one of the following categories, according to the
15 project's principal purpose. Each project may be scored in only one
16 category. The categories are:

17 (a) Access-related projects to accommodate enrollment growth at
18 main and branch campuses, at existing or new university centers, or
19 through distance learning. Growth projects should provide significant

1 additional student capacity. Proposed projects must demonstrate that
2 they are based on solid enrollment demand projections, more
3 cost-effectively provide enrollment access than alternatives such as
4 university centers and distance learning, and make cost-effective use
5 of existing and proposed new space;

6 (b) Projects that replace failing permanent buildings (~~or renovate~~
7 ~~facilities to restore building life and upgrade space to meet current~~
8 ~~program requirements~~). Facilities that cannot be economically
9 renovated are considered replacement projects. (~~Renovation projects~~
10 ~~should represent a complete renovation of a total facility or an~~
11 ~~isolated wing of a facility. A reasonable renovation project should~~
12 ~~cost between sixty to eighty percent of current replacement value and~~
13 ~~restore the renovated area to at least twenty-five years of useful~~
14 ~~life.~~) New space may be programmed for the same or a different use
15 than the space being replaced or renovated and may include additions to
16 improve access and enhance the relationship of program or support
17 space;

18 (c) Projects that renovate facilities to restore building life and
19 upgrade space to meet current program requirements. Renovation
20 projects should represent a complete renovation of a total facility or
21 an isolated wing of a facility. A reasonable renovation project should
22 cost between sixty to eighty percent of current replacement value and
23 restore the renovated area to at least twenty-five years of useful
24 life. New space may be programmed for the same or a different use than
25 the space being renovated and may include additions to improve access
26 and enhance the relationship of program or support space;

27 (d) Major stand-alone campus infrastructure projects;

28 ~~((d))~~ (e) Projects that promote economic growth and innovation
29 through expanded research activity. The acquisition and installation
30 of specialized equipment is authorized under this category; and

31 ~~((e))~~ (f) Other project categories as determined by the office of
32 financial management in consultation with the legislative fiscal
33 committees.

34 (2) The office of financial management, in consultation with the
35 legislative fiscal committees (~~and the joint legislative audit and~~
36 ~~review committee~~), shall establish a scoring system and process for
37 each four-year project category that is based on the framework used in
38 the community and technical college system of prioritization. Staff

1 from the state board for community and technical colleges, the higher
2 education coordinating board, and the four-year institutions shall
3 provide technical assistance on the development of a scoring system and
4 process.

5 (3) The office of financial management shall consult with the
6 legislative fiscal committees in the scoring of four-year institution
7 project proposals, and may also solicit participation by (~~the joint~~
8 ~~legislative audit and review committee and~~) independent experts.

9 (a) For each four-year project category, the scoring system must,
10 at a minimum, include an evaluation of enrollment trends,
11 reasonableness of cost, the ability of the project to enhance specific
12 strategic master plan goals, age and condition of the facility if
13 applicable, and impact on space utilization.

14 (b) Each four-year project category may include projects at the
15 predesign, design, or construction funding phase.

16 (c) To the extent possible, the objective analysis and scoring
17 system of all capital budget projects shall occur within the context of
18 any and all performance agreements between the office of financial
19 management and the governing board of a public, four-year institution
20 of higher education that aligns goals, priorities, desired outcomes,
21 flexibility, institutional mission, accountability, and levels of
22 resources.

23 (4) In evaluating and scoring four-year institution projects, the
24 office of financial management shall take into consideration project
25 schedules that result in realistic, balanced, and predictable
26 expenditure patterns over the ensuing three biennia.

27 (5) The office of financial management shall distribute common
28 definitions, the scoring system, and other information required for the
29 project proposal and scoring process as part of its biennial budget
30 instructions(~~, except that, for the 2009-2011 budget development~~
31 ~~cycle, this information must be distributed by July 1, 2008~~). The
32 office of financial management, in consultation with the legislative
33 fiscal committees (~~and the joint legislative audit and review~~
34 ~~committee~~), shall develop common definitions that four-year
35 institutions must use in developing their project proposals and lists
36 under this section.

37 (6) In developing any scoring system for capital projects proposed
38 by the four-year institutions, the office of financial management:

1 (a) Shall be provided with all required information by the four-
2 year institutions as deemed necessary by the office of financial
3 management;

4 (b) May utilize independent services to verify, sample, or evaluate
5 information provided to the office of financial management by the four-
6 year institutions; and

7 (c) Shall have full access to all data maintained by the higher
8 education coordinating board and the joint legislative audit and review
9 committee concerning the condition of higher education facilities.

10 (7) By August 15th of each even-numbered year, (~~beginning in~~
11 ~~2008,~~) each public four-year higher education institution shall
12 prepare and submit prioritized lists of the individual projects
13 proposed by the institution for the ensuing six-year period in each
14 category. (~~On a pilot basis, the office of financial management shall~~
15 ~~require one research university to prepare two separate prioritized~~
16 ~~lists for each category, one for the main campus, and one covering all~~
17 ~~of the institution's branch campuses. The office of financial~~
18 ~~management shall report to the legislative fiscal committees by~~
19 ~~December 1, 2009, on the effect of this pilot project on capital~~
20 ~~project financing for all branch campuses.)) The lists must be
21 submitted to the office of financial management and the legislative
22 fiscal committees. The four-year institutions may aggregate minor
23 works project proposals by primary purpose for ranking purposes.
24 Proposed minor works projects must be prioritized within the aggregated
25 proposal, and supporting documentation, including project descriptions
26 and cost estimates, must be provided to the office of financial
27 management and the legislative fiscal committees.~~

28 (8) The office of financial management shall convene a group by
29 August 15th of each even-numbered year to rank projects in priority
30 order in a single list to be submitted to the legislature for the
31 ensuing biennium. The group shall consist of one representative of
32 the higher education coordinating board, two representatives of the
33 council of presidents, two representatives of the office of financial
34 management, and one representative of the Washington state economic
35 development commission. The council of presidents' representatives
36 must rotate every two years, with each four-year public baccalaureate
37 research institution representing the council of presidents once every
38 two biennia and each four-year public baccalaureate nonresearch

1 institution representing the council of presidents once every four
2 biennia. The Washington state economic development representative
3 shall be appointed by the governor and will change every two years.
4 The governor or a designee may participate in determining the
5 prioritized list.

6 (9) The priorities set by the group shall consider policies for the
7 state's higher education system to achieve growth and manage existing
8 assets in a responsible manner, biennial budget projections for capital
9 expenditures, and biennial budget projections for student full-time
10 equivalent growth.

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