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## Capital Budget Committee

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### HB 1325

**Brief Description:** Concerning the evaluation and prioritization of capital budget projects at the public two-year and four-year institutions of higher education.

**Sponsors:** Representatives Tharinger, Tarleton and Jinkins; by request of Office of Financial Management.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Merges language from two related statutes regarding the scoring and prioritization processes of higher education capital projects.</li></ul>
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**Hearing Date:** 2/3/17

**Staff:** Christine Thomas (786-7142).

**Background:**

In 2003 the Legislature directed the Council of Presidents and the Higher Education Coordinating Board (HECB) to develop a method to guide capital appropriation decisions by rating and individually ranking all major capital projects for public four-year institutions. The resulting list of ranked projects was to be approved by the governing boards of each four-year institution.

In 2005 the Legislature provided additional guidance to refine the method used for the ranking of four-year institutions construction project requests. Greater emphasis was placed on early critical review of project proposals. Scoring and ranking of projects could not be based on assigning an equal number of overall points to each four-year institution. The ranking was to address statewide priorities, and the process was to use a facility condition index established by the Joint Legislative Audit and Review Committee.

In 2008 legislation further modified the prioritization process by requiring the Office of Financial Management (OFM) to complete an analysis and scoring of all four-year institution construction

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

projects. Each of the proposed projects are scored within a single project category according to its primary purpose. The seven project categories are: predesign; enrollment growth; replacement and renovation; major campus infrastructure; research projects that promote economic growth and innovation; land acquisition; and other project categories as determined by the OFM and the legislative fiscal committees.

In 2011 legislation replaced the HECB with the Washington Student Achievement Council (WSAC). The 2011 legislation also made further changes to the four-year scoring process and required the OFM, and not the WSAC, to rank major capital projects at the four-year institutions in a single list in priority order. The legislation directed the WSAC to identify a combination of projects that will most cost-effectively achieve the state's goals. These goals include:

1. increasing baccalaureate and graduate degree production, particularly in high-demand fields;
2. promoting economic development through research and innovation;
3. providing quality, affordable educational environments;
4. preserving existing assets; and
5. maximizing the efficient utilization of instructional space.

The OFM is also required to assume that the overall funding level of the prioritized list remains the same as the level of funding provided by the Legislature in the previous biennium.

In 2015 the Legislature included a provision in the 2015-17 Capital Budget that directed the OFM to form a four-year prioritized capital project list technical work group with staff from the Office of Program Research, Senate Committee Services, the four-year institutions, and the Council of Presidents. The work group reported its findings and recommendations in December 2015. Recommendations included proposed statutory changes to eliminate redundancies and contradictions in competing statutes.

**Summary of Bill:**

The statute that describes the scoring process within single categories is amended to incorporate language that pertains to the scoring and prioritization process of higher education capital projects that results in a single prioritized list. Duplicative language is removed. The processes, evaluation criteria, and the administration of the processes remain relatively unchanged.

**Appropriation:** None.

**Fiscal Note:** Available.

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