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**HOUSE BILL 1949**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** Representative Caldier

Read first time 01/12/22. Referred to Committee on Capital Budget.

1 AN ACT Relating to the prioritization of higher education capital  
2 projects; amending RCW 28B.77.070, 43.88D.010, and 28C.18.060; adding  
3 a new section to chapter 43.88 RCW; creating a new section; and  
4 providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that the provision  
7 of health care and behavioral health services to citizens of the  
8 state of Washington is of critical importance. The legislature  
9 further finds that major capital project requests from the four-year  
10 institutions of higher education have been insufficient to support  
11 the industry demand for the highly trained professionals that are  
12 needed to provide these crucial services. Therefore, the legislature  
13 intends to require that the major capital project appropriation  
14 requests submitted by the four-year institutions of higher education  
15 and the governor prioritize projects that directly support additional  
16 enrollments in degree programs related to the provision of health  
17 care or behavioral health services in occupations with current or  
18 projected shortages.

19 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.88  
20 RCW to read as follows:

1 Omnibus capital appropriations act requests for major capital  
2 projects submitted by the governor under RCW 43.88.060 and the four-  
3 year institutions of higher education must prioritize projects that  
4 directly support additional enrollments in degree programs related to  
5 the provision of health care or behavioral health services in  
6 occupations with current or projected labor shortages as determined  
7 by the workforce training and education coordinating board created  
8 under chapter 28C.18 RCW.

9 **Sec. 3.** RCW 28B.77.070 and 2021 c 332 s 7044 are each amended to  
10 read as follows:

11 (1) The council shall identify budget priorities and levels of  
12 funding for higher education, including the two and four-year  
13 institutions of higher education and state financial aid programs. It  
14 is the intent of the legislature for the council to make budget  
15 recommendations for allocations for major policy changes in  
16 accordance with priorities set forth in the ten-year plan, but the  
17 legislature does not intend for the council to review and make  
18 recommendations on individual institutional budgets. It is the intent  
19 of the legislature that recommendations from the council prioritize  
20 funding needs for the overall system of higher education in  
21 accordance with priorities set forth in the ten-year plan. It is also  
22 the intent of the legislature that the council's recommendations take  
23 into consideration the total per-student funding at similar public  
24 institutions of higher education in the global challenge states.

25 (2) By December of each odd-numbered year, the council shall  
26 outline the council's fiscal priorities under the ten-year plan that  
27 it must distribute to the institutions, the state board for community  
28 and technical colleges, the office of financial management, and the  
29 joint higher education committee.

30 (a) Capital budget outlines for the two-year institutions shall  
31 be submitted to the office of financial management by August 15th of  
32 each even-numbered year, and shall include the prioritized ranking of  
33 the capital projects being requested, a description of each capital  
34 project, and the amount and fund source being requested.

35 (b) Capital budget outlines for the four-year institutions must  
36 be submitted to the office of financial management by August 15th of  
37 each even-numbered year, and must include: The institutions' priority  
38 ranking of the project; the capital budget category within which the  
39 project will be submitted to the office of financial management in

1 accordance with RCW 43.88D.010; a description of each capital  
2 project; ~~((and))~~ the amount and fund source being requested; and  
3 until July 1, 2032, a description and quantification of the extent to  
4 which the major projects requested will directly support additional  
5 enrollments in degree programs related to the provision of health  
6 care or behavioral health services in occupations with current or  
7 projected shortages as determined by the workforce training and  
8 education coordinating board created under chapter 28C.18 RCW.

9 (c) Until July 1, 2032, prioritized outlines submitted to the  
10 office of financial management for four-year institutions in this  
11 subsection (2) must prioritize major capital projects that will  
12 directly support additional enrollments in degree programs related to  
13 the provision of health care or behavioral health services in  
14 occupations with current or projected labor shortages as determined  
15 by the workforce training and education coordinating board created  
16 under chapter 28C.18 RCW.

17 ~~((e))~~ (d) The office of financial management shall reference  
18 these reporting requirements in its budget instructions.

19 (3) The council shall submit recommendations on the operating  
20 budget priorities to support the ten-year plan to the office of  
21 financial management by October 1st each year, and to the legislature  
22 by January 1st each year.

23 (4) (a) The office of financial management shall develop one  
24 prioritized list of capital projects for the legislature to consider  
25 that includes all of the projects requested by the four-year  
26 institutions of higher education that were scored by the office of  
27 financial management pursuant to chapter 43.88D RCW, including  
28 projects that were previously scored but not funded. The prioritized  
29 list of capital projects shall be based on the following priorities  
30 in the following order:

31 (i) Office of financial management scores pursuant to chapter  
32 43.88D RCW;

33 (ii) Preserving assets;

34 (iii) Degree production; and

35 (iv) Maximizing efficient use of instructional space.

36 (b) The office of financial management shall include all of the  
37 capital projects requested by the four-year institutions of higher  
38 education, except for the minor works projects, in the prioritized  
39 list of capital projects provided to the legislature.

1 (c) The form of the prioritized list for capital projects  
2 requested by the four-year institutions of higher education shall be  
3 provided as one list, ranked in priority order with the highest  
4 priority project ranked number "1" through the lowest priority  
5 project numbered last. The ranking for the prioritized list of  
6 capital projects may not:

7 (i) Include subpriorities;

8 (ii) Be organized by category;

9 (iii) Assume any state bond or building account biennial funding  
10 level to prioritize the list; or

11 (iv) Assume any specific share of projects by institution in the  
12 priority list.

13 (5) Institutions and the state board for community and technical  
14 colleges shall submit any supplemental capital budget requests and  
15 revisions to the office of financial management by November 1st and  
16 to the legislature by January 1st.

17 (6) For the 2019-2021 fiscal biennium and the 2021-2023 fiscal  
18 biennium, pursuant to subsection (4) of this section, the office of  
19 financial management may, but is not obligated to, develop one  
20 prioritized list of capital projects for the legislature to consider  
21 that includes all of the projects requested by the four-year  
22 institutions of higher education that were scored by the office of  
23 financial management pursuant to chapter 43.88D RCW, including  
24 projects that were previously scored but not funded.

25 **Sec. 4.** RCW 43.88D.010 and 2021 c 332 s 7034 are each amended to  
26 read as follows:

27 (1) By October 1st of each even-numbered year, the office of  
28 financial management shall complete an objective analysis and scoring  
29 of all capital budget projects proposed by the public four-year  
30 institutions of higher education and submit the results of the  
31 scoring process to the legislative fiscal committees and the four-  
32 year institutions. Each project must be reviewed and scored within  
33 one of the following categories, according to the project's principal  
34 purpose. Each project may be scored in only one category. The  
35 categories are:

36 (a) Access-related projects to accommodate enrollment growth at  
37 all campuses, at existing or new university centers, or through  
38 distance learning. Growth projects should provide significant  
39 additional student capacity. Proposed projects must demonstrate that

1 they are based on solid enrollment demand projections, more  
2 cost-effectively provide enrollment access than alternatives such as  
3 university centers and distance learning, and make cost-effective use  
4 of existing and proposed new space;

5 (b) Projects that replace failing permanent buildings. Facilities  
6 that cannot be economically renovated are considered replacement  
7 projects. New space may be programmed for the same or a different use  
8 than the space being replaced and may include additions to improve  
9 access and enhance the relationship of program or support space;

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

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

21 (e) Projects that promote economic growth and innovation through  
22 expanded research activity. The acquisition and installation of  
23 specialized equipment is authorized under this category; and

24 (f) Other project categories as determined by the office of  
25 financial management in consultation with the legislative fiscal  
26 committees.

27 (2) The office of financial management, in consultation with the  
28 legislative fiscal committees, shall establish a scoring system and  
29 process for each four-year project category that is based on the  
30 framework used in the community and technical college system of  
31 prioritization. Staff from the state board for community and  
32 technical colleges and the four-year institutions shall provide  
33 technical assistance on the development of a scoring system and  
34 process.

35 (3) The office of financial management shall consult with the  
36 legislative fiscal committees in the scoring of four-year institution  
37 project proposals, and may also solicit participation by independent  
38 experts.

39 (a) For each four-year project category, the scoring system must,  
40 at a minimum, include an evaluation of enrollment trends,

1 reasonableness of cost, the ability of the project to enhance  
2 specific strategic master plan goals, age and condition of the  
3 facility if applicable, and impact on space utilization.

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

6 (c) To the extent possible, the objective analysis and scoring  
7 system of all capital budget projects shall occur within the context  
8 of any and all performance agreements between the office of financial  
9 management and the governing board of a public, four-year institution  
10 of higher education that aligns goals, priorities, desired outcomes,  
11 flexibility, institutional mission, accountability, and levels of  
12 resources.

13 (4) In evaluating and scoring four-year institution projects, the  
14 office of financial management shall ~~((take))~~: (a) Take into  
15 consideration project schedules that result in realistic, balanced,  
16 and predictable expenditure patterns over the ensuing three biennia;  
17 and (b) until July 1, 2032, prioritize major capital projects  
18 pursuant to this section that will directly support additional  
19 enrollments in degree programs related to the provision of health  
20 care or behavioral health services in occupations with current or  
21 projected labor shortages as determined by the workforce training and  
22 education coordinating board created under chapter 28C.18 RCW.

23 (5) The office of financial management shall distribute common  
24 definitions, the scoring system, and other information required for  
25 the project proposal and scoring process as part of its biennial  
26 budget instructions. The office of financial management, in  
27 consultation with the legislative fiscal committees, shall develop  
28 common definitions that four-year institutions must use in developing  
29 their project proposals and lists under this section.

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

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

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

1 (c) Shall have full access to all data maintained by the joint  
2 legislative audit and review committee concerning the condition of  
3 higher education facilities.

4 (7) By August 1st of each even-numbered year each public four-  
5 year higher education institution shall prepare and submit  
6 prioritized lists of the individual projects proposed by the  
7 institution for the ensuing six-year period in each category. The  
8 lists must be submitted to the office of financial management and the  
9 legislative fiscal committees. The four-year institutions may  
10 aggregate minor works project proposals by primary purpose for  
11 ranking purposes. Proposed minor works projects must be prioritized  
12 within the aggregated proposal, and supporting documentation,  
13 including project descriptions and cost estimates, must be provided  
14 to the office of financial management and the legislative fiscal  
15 committees.

16 (8) For the 2019-2021 fiscal biennium and the 2021-2023 fiscal  
17 biennium, pursuant to subsection (1) of this section, by November 1,  
18 2022, the office of financial management must score higher education  
19 capital project criteria with a rating scale that assesses how well a  
20 particular project satisfies those criteria. The office of financial  
21 management may not use a rating scale that weighs the importance of  
22 those criteria.

23 (9) For the 2019-2021 fiscal biennium and the 2021-2023 fiscal  
24 biennium, pursuant to subsection (6)(a) of this section and in lieu  
25 of the requirements of subsection (7) of this section, by August 15,  
26 2022, the institutions of higher education shall prepare and submit  
27 or resubmit to the office of financial management and the legislative  
28 fiscal committees:

29 (a) Individual project proposals developed pursuant to subsection  
30 (1) of this section;

31 (b) Individual project proposals scored in prior biennia pursuant  
32 to subsection (1) of this section; and

33 (c) A prioritized list of up to five project proposals submitted  
34 pursuant to (a) and (b) of this subsection.

35 **Sec. 5.** RCW 28C.18.060 and 2019 c 406 s 61 are each amended to  
36 read as follows:

37 The board, in cooperation with the operating agencies of the  
38 state training system and private career schools and colleges, shall:

1 (1) Concentrate its major efforts on planning, coordination  
2 evaluation, policy analysis, and recommending improvements to the  
3 state's training system;

4 (2) Advocate for the state training system and for meeting the  
5 needs of employers and the workforce for workforce education and  
6 training;

7 (3) Establish and maintain an inventory of the programs of the  
8 state training system, and related state programs, and perform a  
9 biennial assessment of the vocational education, training, and adult  
10 basic education and literacy needs of the state; identify ongoing and  
11 strategic education needs; and assess the extent to which employment,  
12 training, vocational and basic education, rehabilitation services,  
13 and public assistance services represent a consistent, integrated  
14 approach to meet such needs;

15 (4) Develop and maintain a state comprehensive plan for workforce  
16 training and education, including but not limited to, goals,  
17 objectives, and priorities for the state training system, and review  
18 the state training system for consistency with the state  
19 comprehensive plan. In developing the state comprehensive plan for  
20 workforce training and education, the board shall use, but shall not  
21 be limited to: Economic, labor market, and populations trends reports  
22 in office of financial management forecasts; joint office of  
23 financial management and employment security department labor force,  
24 industry employment, and occupational forecasts; the results of  
25 scientifically based outcome, net-impact and cost-benefit  
26 evaluations; the needs of employers as evidenced in formal employer  
27 surveys and other employer input; and the needs of program  
28 participants and workers as evidenced in formal surveys and other  
29 input from program participants and the labor community;

30 (5) In consultation with the student achievement council, review  
31 and make recommendations to the office of financial management and  
32 the legislature on operating and capital facilities budget requests  
33 for operating agencies of the state training system for purposes of  
34 consistency with the state comprehensive plan for workforce training  
35 and education;

36 (6) Provide for coordination among the different operating  
37 agencies and components of the state training system at the state  
38 level and at the regional level;



1 (7) Develop a consistent and reliable database on vocational  
2 education enrollments, costs, program activities, and job placements  
3 from publicly funded vocational education programs in this state;

4 (8)(a) Establish standards for data collection and maintenance  
5 for the operating agencies of the state training system in a format  
6 that is accessible to use by the board. The board shall require a  
7 minimum of common core data to be collected by each operating agency  
8 of the state training system;

9 (b) Develop requirements for minimum common core data in  
10 consultation with the office of financial management and the  
11 operating agencies of the training system;

12 (9) Establish minimum standards for program evaluation for the  
13 operating agencies of the state training system, including, but not  
14 limited to, the use of common survey instruments and procedures for  
15 measuring perceptions of program participants and employers of  
16 program participants, and monitor such program evaluation;

17 (10) Every two years administer scientifically based outcome  
18 evaluations of the state training system, including, but not limited  
19 to, surveys of program participants, surveys of employers of program  
20 participants, and matches with employment security department payroll  
21 and wage files. Every five years administer scientifically based net-  
22 impact and cost-benefit evaluations of the state training system;

23 (11) In cooperation with the employment security department,  
24 provide for the improvement and maintenance of quality and utility in  
25 occupational information and forecasts for use in training system  
26 planning and evaluation. Improvements shall include, but not be  
27 limited to, development of state-based occupational change factors  
28 involving input by employers and employees, and delineation of skill  
29 and training requirements by education level associated with current  
30 and forecasted occupations;

31 (12) Provide for the development of common course description  
32 formats, common reporting requirements, and common definitions for  
33 operating agencies of the training system;

34 (13) Provide for effectiveness and efficiency reviews of the  
35 state training system;

36 (14) In cooperation with the student achievement council,  
37 facilitate transfer of credit policies and agreements between  
38 institutions of the state training system, and encourage articulation  
39 agreements for programs encompassing two years of secondary workforce  
40 education and two years of postsecondary workforce education;

1 (15) In cooperation with the student achievement council,  
2 facilitate transfer of credit policies and agreements between private  
3 training institutions and institutions of the state training system;

4 (16) Develop policy objectives for the workforce innovation and  
5 opportunity act, P.L. 113-128, or its successor; develop coordination  
6 criteria for activities under the act with related programs and  
7 services provided by state and local education and training agencies;  
8 and ensure that entrepreneurial training opportunities are available  
9 through programs of each local workforce development board in the  
10 state;

11 (17) Ensure that the expansion of K-12 and postsecondary  
12 opportunities for career connected learning and work-integrated  
13 learning, as those terms are defined in RCW 28C.30.020, is  
14 incorporated into the state plan adopted for the purposes of the Carl  
15 D. Perkins career and technical education improvement act, P.L.  
16 109-270;

17 (18) Make recommendations to the commission of student  
18 assessment, the state board of education, and the superintendent of  
19 public instruction, concerning basic skill competencies and essential  
20 core competencies for K-12 education. Basic skills for this purpose  
21 shall be reading, writing, computation, speaking, and critical  
22 thinking, essential core competencies for this purpose shall be  
23 English, math, science/technology, history, geography, and critical  
24 thinking. The board shall monitor the development of and provide  
25 advice concerning secondary curriculum which integrates vocational  
26 and academic education;

27 (19) Establish and administer programs for marketing and outreach  
28 to businesses and potential program participants;

29 (20) Facilitate the location of support services, including but  
30 not limited to, child care, financial aid, career counseling, and job  
31 placement services, for students and trainees at institutions in the  
32 state training system, and advocate for support services for trainees  
33 and students in the state training system;

34 (21) Facilitate private sector assistance for the state training  
35 system, including but not limited to: Financial assistance, rotation  
36 of private and public personnel, and vocational counseling;

37 (22) Facilitate the development of programs for school-to-work  
38 transition that combine classroom education and on-the-job training,  
39 including entrepreneurial education and training, in industries and  
40 occupations without a significant number of apprenticeship programs;

1 (23) Include in the planning requirements for local workforce  
2 development boards a requirement that the local workforce development  
3 boards specify how entrepreneurial training is to be offered through  
4 the one-stop system required under the workforce innovation and  
5 opportunity act, P.L. 113-128, or its successor;

6 (24) Encourage and assess progress for the equitable  
7 representation of racial and ethnic minorities, women, and people  
8 with disabilities among the students, teachers, and administrators of  
9 the state training system. Equitable, for this purpose, shall mean  
10 substantially proportional to their percentage of the state  
11 population in the geographic area served. This function of the board  
12 shall in no way lessen more stringent state or federal requirements  
13 for representation of racial and ethnic minorities, women, and people  
14 with disabilities;

15 (25) Participate in the planning and policy development of  
16 governor set-aside grants under P.L. 97-300, as amended;

17 (26) Administer veterans' programs, licensure of private  
18 vocational schools, the job skills program, and the Washington award  
19 for vocational excellence;

20 (27) Allocate funding from the state job training trust fund;

21 (28) Work with the director of commerce to ensure coordination  
22 among workforce training priorities and economic development and  
23 entrepreneurial development efforts, including but not limited to  
24 assistance to industry clusters;

25 (29) Conduct research into workforce development programs  
26 designed to reduce the high unemployment rate among young people  
27 between approximately eighteen and twenty-four years of age. In  
28 consultation with the operating agencies, the board shall advise the  
29 governor and legislature on policies and programs to alleviate the  
30 high unemployment rate among young people. The research shall include  
31 disaggregated demographic information and, to the extent possible,  
32 income data for adult youth. The research shall also include a  
33 comparison of the effectiveness of programs examined as a part of the  
34 research conducted in this subsection in relation to the public  
35 investment made in these programs in reducing unemployment of young  
36 adults. The board shall report to the appropriate committees of the  
37 legislature by November 15, 2008, and every two years thereafter.  
38 Where possible, the data reported to the legislative committees  
39 should be reported in numbers and in percentages;

1       (30) Until July 1, 2032, provide information on health care and  
2 behavioral health occupations with current or projected labor  
3 shortages to the office of financial management, the four-year  
4 institutions of higher education, and the board created under this  
5 chapter;

6       (31) Adopt rules as necessary to implement this chapter.

7       The board may delegate to the director any of the functions of  
8 this section.

9       NEW SECTION.   **Sec. 6.** This act expires July 1, 2032.

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