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**HOUSE BILL 1256**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Representatives Steele, Simmons, Eslick, and Santos

AN ACT Relating to capital budget matching grants to independent higher education institutions; and adding a new section to chapter 28B.07 RCW.

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

NEW SECTION. **Sec.**  A new section is added to chapter 28B.07 RCW to read as follows:

(1) The department is authorized to administer a capital budget matching grants program for higher education institutions as provided in this section.

(2) Project eligibility. Grants pursuant to this section may only be awarded for major capital construction projects meeting both of the following criteria: (a) Projects must have estimated costs of not less than $2,000,000; and (b) projects must construct or improve facilities that are primarily for instructional purposes or student housing.

(3) Eligible institutions. Only higher education institutions are eligible for a grant under this section.

(4) Administration. Subject to the availability of amounts appropriated for this specific purpose, the department shall develop a grant application process and assist higher education institutions in matters related to applying for grants under this section. The department may use up to four percent of amounts appropriated for the grant program under this section for costs that result from administration of the program.

(5) Matching funds. For each grant awarded under this section, the department must require that the higher education institution that receives the grant provides matching nonstate funding equal to at least 100 percent of the grant award.

(6) Grant application evaluation process. The department shall consult with the state board for community and technical colleges, the Washington higher education facilities authority created under RCW 28B.07.030, and appropriate stakeholders to create a competitive grant application evaluation and ranking process pursuant to this section. This consultative process must create an application evaluation and ranking system that results in a single prioritized list of proposed grants from the pool of applications submitted by eligible institutions in each application cycle. The prioritization process developed under this section must give primary consideration to institutional programmatic needs and facility conditions.

(7)(a) Required grant list. The department must propose a list of prioritized grants pursuant to this section for higher education institutions meeting the eligibility requirements established in subsection (3) of this section to the governor by September 1st of even-numbered years. This list must include: (i) A description of the proposed project; (ii) the proposed construction grant amount; (iii) higher education institutions' share of project cost; and (iv) the estimated total project cost.

(b) The department and the governor may determine the level of funding in its omnibus capital appropriations act requests to support grants under this section, but its funding requests must follow the prioritized list created pursuant to subsection (6) of this section unless new information determines that a specific project is no longer viable as proposed.

(8) The department may not expend funding for a project in this section unless and until the nonstate share of that project's costs have been either expended or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the appropriation is for design costs only.

(9) Prior to receiving funding, grant recipients must demonstrate that the project site is under control for a minimum of 10 years, either through ownership or a long-term lease. This requirement does not apply to appropriations for preconstruction activities or appropriations in which the sole purpose is to purchase real property that does not include a construction or renovation component.

(10) The department may require projects funded in this section to comply with Washington's high-performance public building standards as required by chapter 39.35D RCW.

(11) The department may provide project funds on a reimbursement basis only, and funding may not be advanced under any circumstances.

(12) In contracts for grants authorized under this section, the department must include provisions that require that capital improvements be held by the grantee for a specified period of time appropriate to the amount of the grant and that facilities be used for the express purpose of the grant. If the department finds the grantee to be out of compliance with provisions of the contract, the grantee shall repay to the state general fund the principal amount of the grant plus interest calculated at the rate of interest on state of Washington general obligation bonds issued most closely to the date of authorization of the grant.

(13) For purposes of this section, "department" means the department of commerce.

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