

SSB 6355 - H AMD 1267

By Representative Dunshee

ADOPTED 3/02/2010

1 On page 10, after line 18, insert the following:

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3 **"Sec. 9.** RCW 43.88D.010 and 2008 c 205 s 2 are each amended to
4 read as follows:

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

16 (a) Access-related projects to accommodate enrollment growth at
17 main and branch campuses, at existing or new university centers, or
18 through distance learning. Growth projects should provide significant
19 additional student capacity. Proposed projects must demonstrate that
20 they are based on solid enrollment demand projections, more
21 cost-effectively provide enrollment access than alternatives such as
22 university centers and distance learning, and make cost-effective use
23 of existing and proposed new space;

24 (b) Projects that replace failing permanent buildings (~~or~~
25 ~~renovate facilities to restore building life and upgrade space to meet~~
26 ~~current program requirements~~). Facilities that cannot be
27 economically renovated are considered replacement projects.

1 (~~Renovation projects should represent a complete renovation of a~~
2 ~~total facility or an isolated wing of a facility. A reasonable~~
3 ~~renovation project should cost between sixty to eighty percent of~~
4 ~~current replacement value and restore the renovated area to at least~~
5 ~~twenty five years of useful life.)) New space may be programmed for
6 the same or a different use than the space being replaced or renovated
7 and may include additions to improve access and enhance the
8 relationship of program or support space;~~

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

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

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

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

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

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

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

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

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

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

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(~~(, except that, for the 2009-2011 budget~~
27 ~~development cycle, this information must be distributed by July 1,~~
28 ~~2008)~~). The office of financial management, in consultation with the
29 legislative fiscal committees (~~and the joint legislative audit and~~
30 ~~review committee~~), shall develop common definitions that four-year
31 institutions must use in developing their project proposals and lists
32 under this section.

33 (6) In developing any scoring system for capital projects proposed
34 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
5 evaluate information provided to the office of financial management by
6 the four-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
9 review committee concerning the condition of higher education
10 facilities.

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

29 (8) The office of financial management shall convene a group by
30 August 15th of each even-numbered year to rank projects in priority
31 order in a single list to be submitted to the legislature for the
32 ensuing biennium. The group shall consist of one representative of
33 the higher education coordinating board, two representatives of the
34 council of presidents, two representatives of the office of financial

1 management, and one representative of the Washington state economic
2 development commission. The council of presidents' representatives
3 must rotate every two years, with each four-year public baccalaureate
4 research institution representing the council of presidents once
5 every two biennia and each four-year public baccalaureate nonresearch
6 institution representing the council of presidents once every four
7 biennia. The Washington state economic development representative
8 shall be appointed by the governor and will change every two years.
9 The governor or a designee may participate in determining the
10 prioritized list.

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

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17 Correct the title.

EFFECT: Requires the Office of Financial Management to convene a group to rank higher education projects in single list by priority order.

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