

HOUSE BILL REPORT

HB 1532

As Reported by House Committee On: Capital Budget

Title: An act relating to capital design and construction for institutions of higher education.

Brief Description: Concerning budget submissions for capital design and construction at institutions of higher education.

Sponsors: Representatives Smith, Stanford, DeBolt, Riccelli and Tarleton.

Brief History:

Committee Activity:

Capital Budget: 2/3/15, 2/10/15 [DP].

Brief Summary of Bill

- Increases the limit for cost estimates for major capital projects for higher education institutions from \$5 million to \$10 million.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 9 members: Representatives Dunshee, Chair; Stanford, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Kilduff, Kochmar, Peterson, Riccelli and Walsh.

Staff: Christine Thomas (786-7142).

Background:

Cost estimates are decision-making tools that are required to be submitted to the Office of Financial Management in the biennial capital budget development process for all major capital projects that exceed \$5 million. The purpose of the cost estimates is to provide detailed information regarding estimated costs for such project components as acquisition, consultant services, construction, equipment, project management, and other costs included as part of the project. These detailed cost estimates are used to make funding decisions in developing the capital budget.

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.

A predesign study is another decision-making tool that is required for all capital projects that exceed \$5 million. Chapter 162, Laws of 2014 increased the predesign project limit for higher education capital projects from \$5 million to \$10 million.

Summary of Bill:

The limit for cost estimates for major capital projects at institutions of higher education is increased from \$5 million to \$10 million to make the limit consistent with that of predesign studies of major capital projects at higher education institutions.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) The predesign study process is required for higher education institution major capital projects more than \$10 million. Cost estimates for major capital budget requests at higher education institutions are required for projects more than \$5 million. Increasing the threshold would allow the predesign and capital budget processes to be aligned. This change will save project costs and allow more projects between \$5 million and \$10 million to proceed more quickly.

(Oppose) None.

Persons Testifying: Representative Smith, prime sponsor; Cody Eccles, Council of Presidents; and Steve DuPont, Central Washington University.

Persons Signed In To Testify But Not Testifying: None.