

SENATE BILL REPORT

ESHB 2151

As Reported By Senate Committee On:
Ways & Means, April 11, 2003

Title: An act relating to prioritizing proposed capital projects of higher education institutions.

Brief Description: Prioritizing proposed higher education capital projects.

Sponsors: House Committee on Capital Budget (originally sponsored by Representatives Alexander, Dunshee, Sommers, Cox and Sehlin).

Brief History:

Committee Activity: Ways & Means: 3/25/03, 4/11/03 [DPA].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Rossi, Chair; Hewitt, Vice Chair; Zarelli, Vice Chair; Brown, Doumit, Fairley, Fraser, Hale, Honeyford, Johnson, Parlette, Regala, Roach, Sheahan, B. Sheldon and Winsley.

Staff: Karen Barrett (786-7711)

Background: The state adopts a biennial capital budget each odd-numbered year, appropriating moneys for a variety of capital projects and programs. In preparation for this budget, state agencies and higher education institutions prepare and submit budget requests to the Governor's Office. The Governor then submits a budget request to the Legislature shortly before the legislative session.

A significant portion of capital budget appropriations goes to higher education institutions. There are six four-year institutions: The University of Washington; Washington State University; Central Washington University; Eastern Washington University; The Evergreen State College; and Western Washington University. These institutions are governed by regents or trustees, who have a significant amount of autonomy in the governance of their institutions. The 34 community and technical colleges are governed by the State Board for Community and Technical Colleges (SBCTC). Each of the six four-year institutions and the SBCTC provide capital budget requests for each biennium to the Governor's Office and the Legislature.

The Higher Education Coordinating Board (HECB) provides a ranking of projects by category. Projects within a category, such as preservation, are not prioritized by the HECB, but are listed alphabetically by institution and then by institutional priority. This list includes the community and technical colleges, as well as the four-year institutions. The SBCTC ranks all of its recommended projects in priority order based on criteria it developed with the 34 community and technical colleges.

Summary of Amended Bill: Beginning with the 2005-2007 capital budget submittal, the four-year institutions and the two-year institutions submit separate prioritized lists of major projects. The two-year institutions' list is prepared by the SBCTC. The four-year list is prepared by the four-year institutions in consultation with the Council of Presidents and the HECB. The HECB generates the four-year list if the four-year institutions are unable to agree to a list or to complete the approval process.

For ranking repairs and renovations to existing systems, consideration must be given to the age and condition of buildings, program-suitability of the facility, and the utilization of the facility. For ranking new facilities, consideration must be given to existing capacity, space utilization levels, and projected enrollment and staffing. Minor works projects can be ranked as one project.

In developing the rating/ranking of projects, the HECB must be provided with available information by higher education institutions, OFM, and the Joint Legislative Audit and Review Committee. The HECB may also use independent service providers.

Amended Bill Compared to Substitute Bill: A requirement to merge separate, prioritized capital project lists for two- and four-year institutions by 2007 is deleted.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Decisionmakers would benefit from a closer integration of capital and operating requests over a ten-year time horizon and recommendations aligned with master planning for state universities and colleges. The requirements of this bill enable dialogue to occur before budget sessions and should help lawmakers evaluate and consider the state's future investments. Concern was expressed over the comparability of two- and four-year capital requests given the striking difference in educational missions and condition of built facilities. It may be difficult to rank order large-scale, high-cost projects given the six-year cycle of capital improvements. For independent baccalaureates, the proposed process is a brand new concept with inherent challenges, but one the higher education community is willing to undertake if it is the will of the Legislature to proceed.

Testimony Against: None.

Testified: Representative Gary Alexander, sponsor; Tom Henderson, State Board for Community and Technical Colleges (with concerns); Terry Teale, Council of Presidents (with suggestions).