

W A S H I N G T O N
H I G H E R
EDUCATION
C O O R D I N A T I N G B O A R D

December 2003

Additional Institutional Supplemental Budget Requests

Capital Budget

On October 29, the Higher Education Coordinating Board (HECB) took action on supplemental capital budget requests submitted by the State Board for Community and Technical Colleges and Washington State University. At that meeting, staff advised the Board that Central Washington University, Eastern Washington University, and the University of Washington were likely to submit additional supplemental capital budget requests.

The three universities have submitted these supplemental requests and the Board's Fiscal Committee has reviewed them. Below is a summary of the requests and the recommendations of the Fiscal Committee.

Central Washington University

1. Music Building Equipment Proviso

Central Washington University (CWU) requested \$14 million in the 2003-2005 biennium for the second phase of the Music Building. The Board supported this request in its 2003-2005 capital budget recommendations. Of the total \$14 million, \$3.1 million was included for equipment and furnishings.

The Legislature appropriated \$12.6 million for the project and included a proviso limiting expenditures for equipment and furnishings to \$2.4 million. The proviso language prohibited using the \$2.4 million for "moving costs, small musical instruments, vehicles, laptop computers, small printers, disposable items, or other items with a useful life of less than one year."

CWU is requesting that this proviso be amended to allow for the purchase of musical instruments and printers. The University is not requesting additional funds for the purchase of these items and has noted that the instruments and printers have a useful life greater than one year.

The Fiscal Committee recommends that the Board support amending the proviso, provided that no additional funds are required. Committee members recognize the importance of instruments and printers in providing a quality and efficient instructional program.

2. CWU - Des Moines Facility

Central Washington University requested \$10 million in the 2003-2005 biennium for the construction phase of the Des Moines instructional facility, located on the Highline Community College campus. The Board and Governor recommended this appropriation amount for the 2003-2005 biennium. The final 2003-2005 capital budget appropriated \$8 million for the project.

CWU is requesting a supplemental appropriation of \$2 million to pay for furnishings and equipment. The University plans to open the building in summer 2005, with full operations scheduled for the fall quarter. The University has reported that the planned use of the facility will not be possible without funding for equipment and furnishings.

The Fiscal Committee recommends that the Board support the requested supplemental appropriation.

3. Use of Local Capital Funds for Minor Works

In developing its 2003-2005 capital budget for higher education, the Legislature added a state bond-funded appropriation to each institution's budget to reduce the backlog of facility preservation projects. In many cases, this new appropriation would be used for minor projects which had been requested by the institutions within different minor-works funding requests.

As a result of this change, Central Washington University's local building account has additional capacity. The University is requesting \$1.2 million in supplemental expenditure authority from its local building account to address additional building and infrastructure preservation needs.

The Fiscal Committee recommends that the Board support the requested supplemental appropriation.

Eastern Washington University

Eastern Washington University (EWU) requested \$6.8 million in the 2003-2005 biennium for the first phase of the renovation and addition of Senior Hall. The Board supported this proposal. The Governor's 2003-2005 capital budget proposal included \$14.5 million to fund both phases of the project in the 2003-2005 biennium. The capital budget adopted by the Legislature included \$6 million for the first phase of the project.

EWU is requesting \$8.1 million in the supplemental budget to fund the second phase of the project in 2003-2005. In making this request, the University has demonstrated that funding both phases in the current biennium will achieve efficiencies and economies in project design and will reduce construction escalation costs by an estimated \$400,000.

Since state bond funding for the second phase of this project was previously programmed for the 2005-2007 biennium, the acceleration of the second phase into the 2003-2005 biennium will not displace bond funds anticipated for the 2005-2007 biennium. In view of this and the estimated project cost savings, the Fiscal Committee recommends that the Board support this request.

University of Washington

Design and construction funding for all phases of the UW Bothell/Cascadia Community College co-located campus have been split on a 50/50 basis between the University of Washington and the State Board for Community and Technical Colleges.

The 2003-2005 capital budget adopted by the Legislature included reappropriations of \$5 million for design, permitting, and other “soft-costs” for the UWB/CCC south access off-ramp. The off-ramp is required by the city of Bothell when the combined enrollment of the two institutions exceeds 3,000 student FTE. In fall 2002, combined enrollment was about 2,500 student FTE.

This re-appropriation amount was split equally between the University of Washington and the State Board for Community and Technical Colleges. Additionally, the 2003-2005 state transportation budget included \$8 million in transportation funds for the construction phase of the south access off-ramp. The total cost of the project is estimated at \$21 million. As adopted by the Legislature, the re-appropriation authority in the capital budget contained language stipulating that the re-appropriation was based on the Legislature’s intent to fund the construction of the project in a future transportation budget.

Governor Locke vetoed both sections of the 2003-2005 capital budget, which provided the re-appropriation authority for the off-ramp to the University of Washington and the State Board for Community and Technical Colleges. The veto was based, in part, on the prohibition of committing a future Legislature. The Governor did not veto the \$8 million appropriation in the Transportation budget.

The University of Washington is requesting that the re-appropriation be authorized in the supplemental capital budget without language concerning future legislative actions. The State Board for Community and Technical Colleges is not requesting the re-appropriation authority.

The south access off-ramp will be needed if the campus is to serve more than 3,000 student FTE. State plans call for the campus to serve 10,000 student FTE. In view of this and the availability of transportation funds, the Fiscal Committee recommends that the Board encourage the State Board for Community and Technical Colleges to seek its re-appropriation authority. If this does

not occur, the Fiscal Committee recommends that the total re-appropriation amount of \$5 million be provided to the University of Washington.

Operating Budget

To date, one supplemental operating budget request for the 2004 session has been submitted to the HECB for consideration. The Board's Fiscal Committee has reviewed this request and recommends its approval by the Board.

Central Washington University

In the 2003 legislative session, the capital funding for the second phase of the Music Education Facility was approved, allowing the completion date for both phases of the facility to be set for September 1, 2004. This means the facility will be in operation for the last nine months of fiscal year 2005. Therefore, operating budget funds will be required for utilities, maintenance, janitorial, grounds-keeping, and other costs associated with the normal day-to-day operations of any facility. The building contains 47,738 square feet and the funding needed for these costs for the last nine months of fiscal year 2005 is \$223,400.

Again, this operating budget funding was not previously included in Central Washington University's operating budget because the capital funding had not yet been allocated.

Summary of 2004 Higher Education Supplemental Budget Requests

<u>Items Considered at October 29, 2003 HECB Meeting</u>	<u>Institution Request</u>	<u>HECB Recommendation</u>
State Board for Community and Technical Colleges		
• Pierce College/Ft. Steilacoom: Health and Wellness Center	\$5,000,000 (local bonds)	\$5,000,000 (local bonds)
• Pierce College/Puyallup: Gym	\$8,000,000 (local bonds)	\$8,000,000 (local bonds)
• Columbia Basin College: Building Renovation	\$8,000,000 (local bonds)	\$8,000,000 (local bonds)
Washington State University		
• Spokane/Riverpoint: Academic Center	\$20,000,000 (state bonds)	\$20,000,000 (state bonds)
• Pullman: Wastewater Reclamation	\$3,400,000 (state bonds)	\$3,400,000 (state bonds)
• Pullman: WSUnet Infrastructure	\$4,000,000 (state bonds)	\$4,000,000 (state bonds)
(proposed)		
<u>Items to be Considered at December 3, 2003 HECB Meeting (capital)</u>	<u>Institution Request</u>	<u>HECB Recommendation</u>
Central Washington University		
• Music Building	Amend proviso to allow for purchase of instruments and printers	Support
• Des Moines Facility	\$2,000,000 (state bonds)	\$2,000,000 (state bonds)
• Minor Works: Health Safety & Infrastructure Repairs	\$1,200,000 (state bonds)	\$1,200,000 (state bonds)
Eastern Washington University		
• Senior Hall: Phase II Renovation	\$8,100,000 (state bonds)	\$8,100,000 (state bonds)
University of Washington		
• UWB/CCC: South Access Off-Ramp	Reinstate re- appropriation authority for design phase	Support
(proposed)		
<u>Items to be Considered at December 3, 2003 HECB Meeting (operating)</u>	<u>Institution Request</u>	<u>HECB Recommendation</u>
Central Washington University		
• Music Education Facility	\$223,400 (general fund)	Support

RESOLUTION NO. 03-38

WHEREAS, It is the responsibility of the Higher Education Coordinating Board to recommend higher education funding priorities to the Governor and the Legislature; and

WHEREAS, Central Washington University, Eastern Washington University, and the University of Washington have requested additional state funds in the fiscal year 2004 supplemental capital budget; and

WHEREAS, Central Washington University has requested additional state funds in the fiscal year 2004 supplemental operating budget; and

WHEREAS, The Board's Fiscal Committee reviewed the supplemental operating and capital budget requests during its November 17, 2003 meeting; and

WHEREAS, The Fiscal Committee has recommended that the full Board approve the requests on December 3, 2003;

THEREFORE, BE IT RESOLVED, That the Board adopts the recommendations of the Fiscal Committee with respect to the supplemental operating and capital budget proposals for the 2004 legislative session; and

BE IT FURTHER RESOLVED, That the Board directs staff to forward those recommendations to the Governor and the Legislature.

Adopted:

December 3, 2003

Attest:

Bob Craves, Chair

Ann Ramsay-Jenkins, Secretary