



2013-15 Capital Projects Evaluation System Four-Year Higher Education Institutions

**VIDEO-CONFERENCE
COUNCIL OF PRESIDENTS**

AGENDA

- Role Call and Introductions
- Capital Budget Update
- 2013-15 Capital Projects Evaluation System
 - Summary of Changes
- Key Dates
- Evaluation Panels
- Single Prioritized List
- Questions/Discussion

Capital Budget Overview

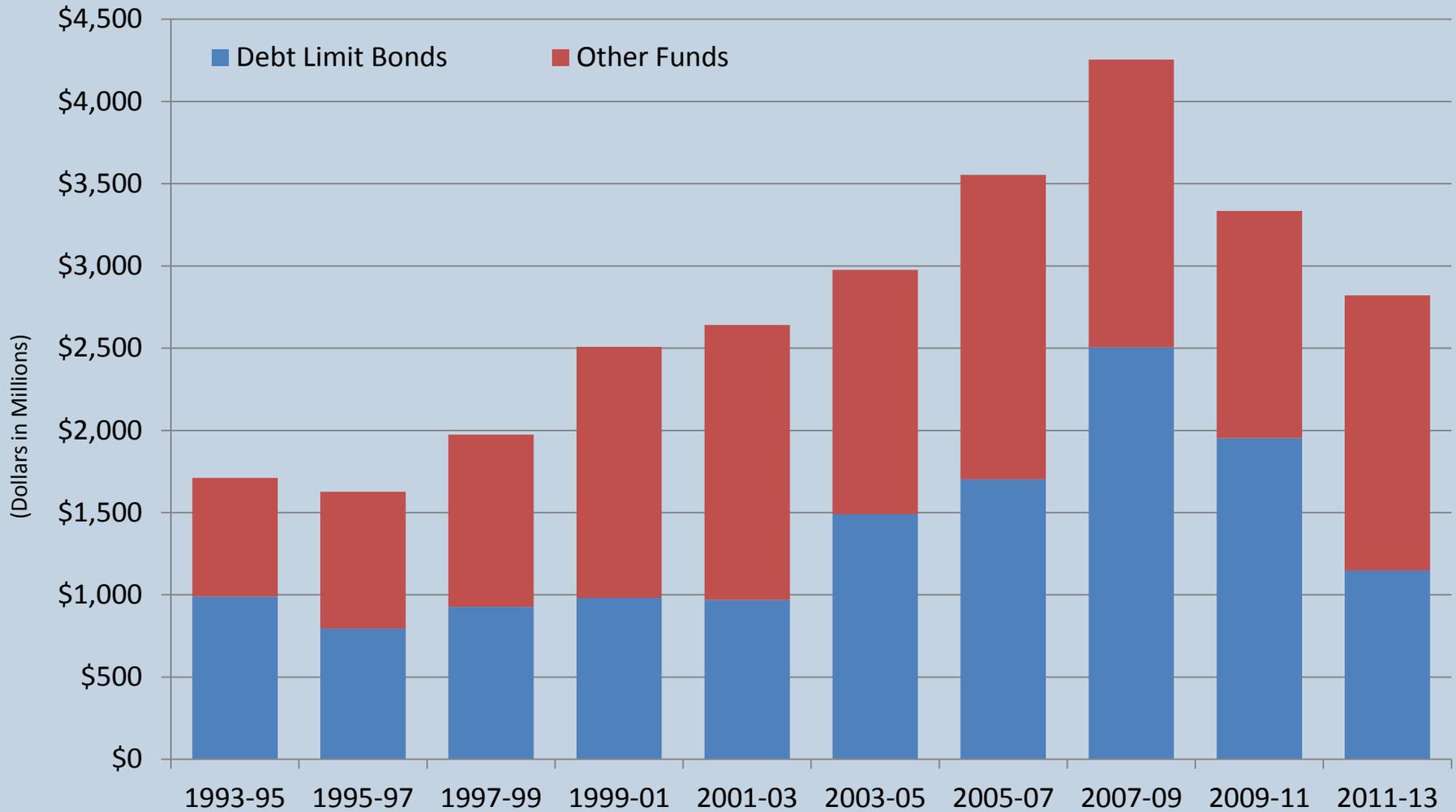
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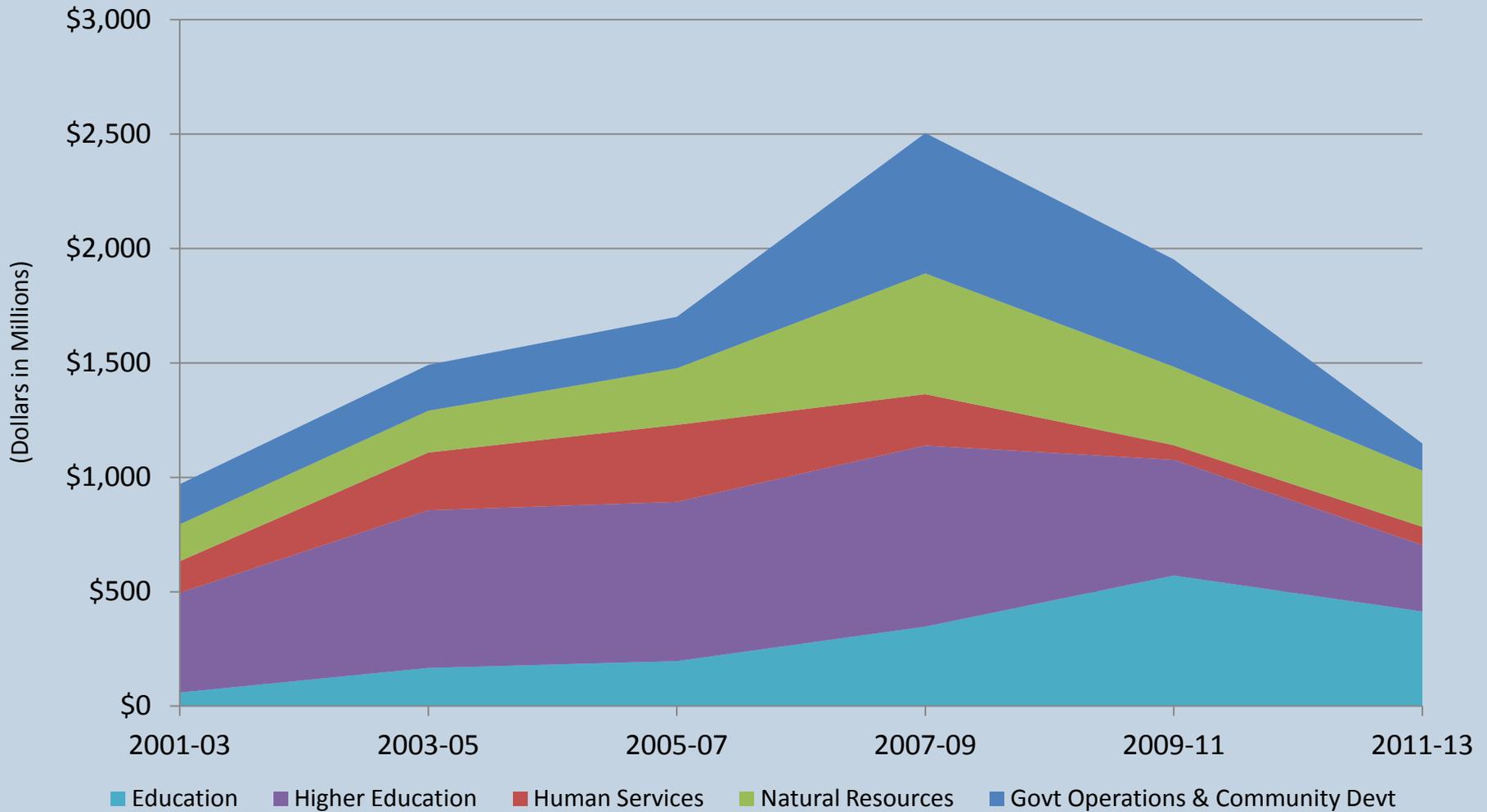
360.902.0562

Capital Budget Appropriation History

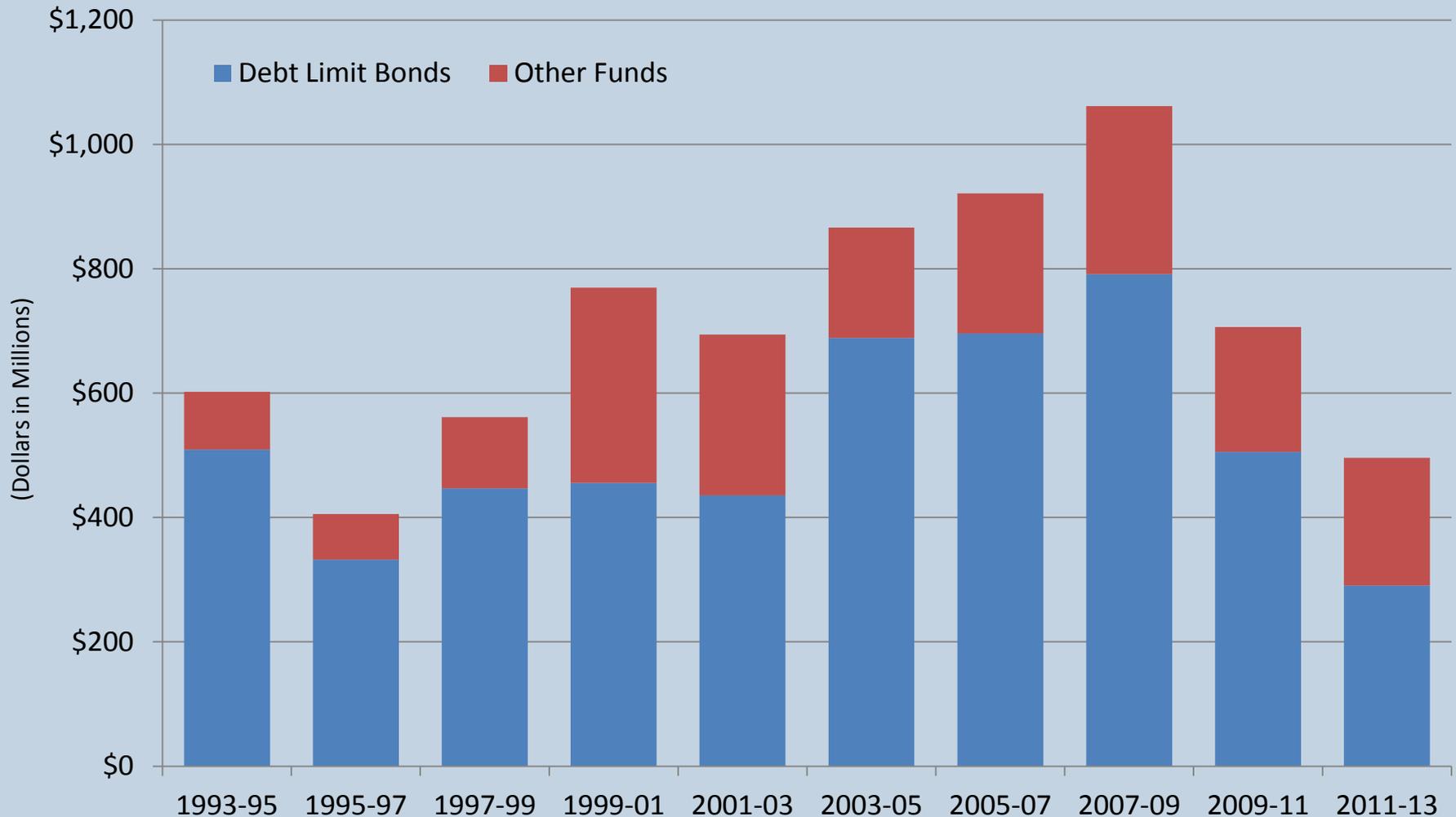


Capital Budget Functional Area History

Debt Limit Bond Appropriations

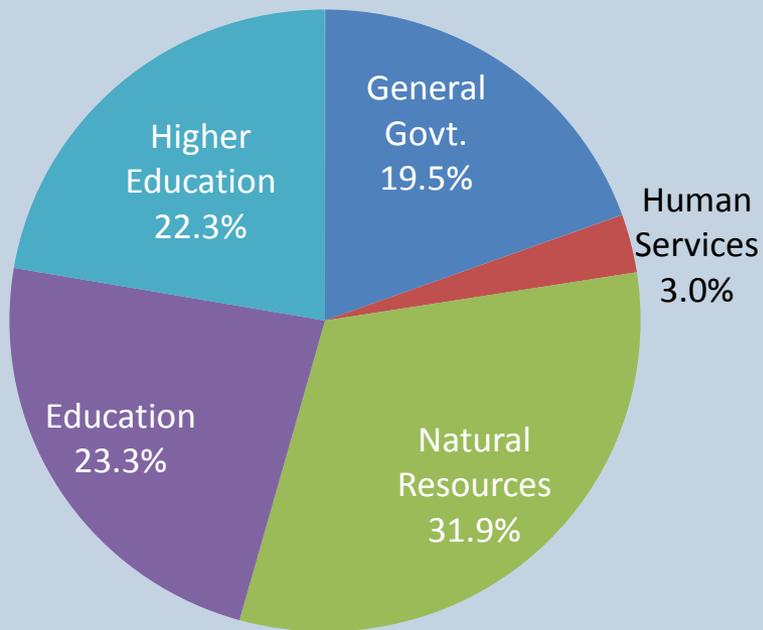


Capital Budget Appropriation History Overview of Higher Education

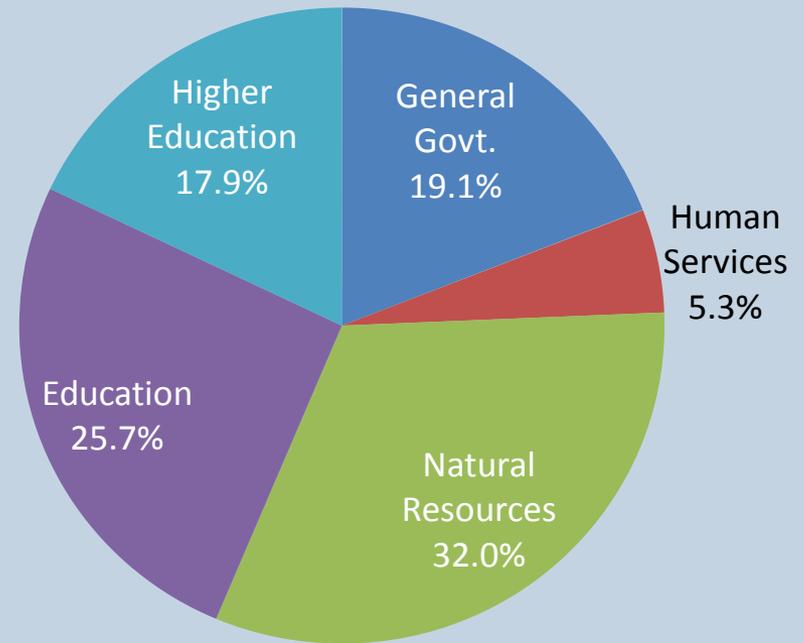


Total New Appropriations Percent Funded by Functional Area

2009-11 Enacted *
\$3.3B



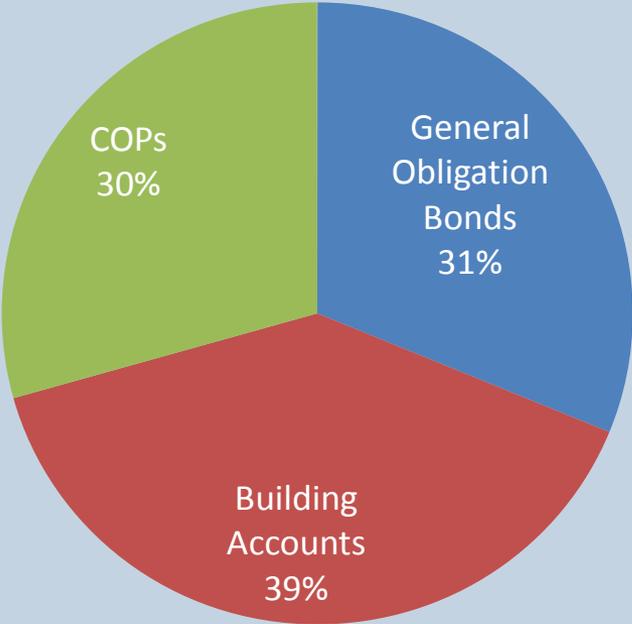
2011-13 Enacted
\$2.9B



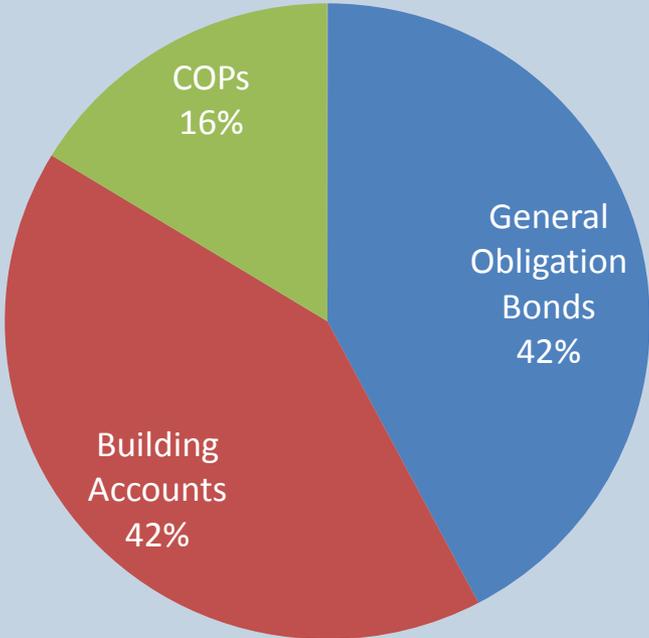
*includes supplemental budgets

Total New Appropriations Percent Funded by Source 4-Year Institutions

2009-11 Enacted *

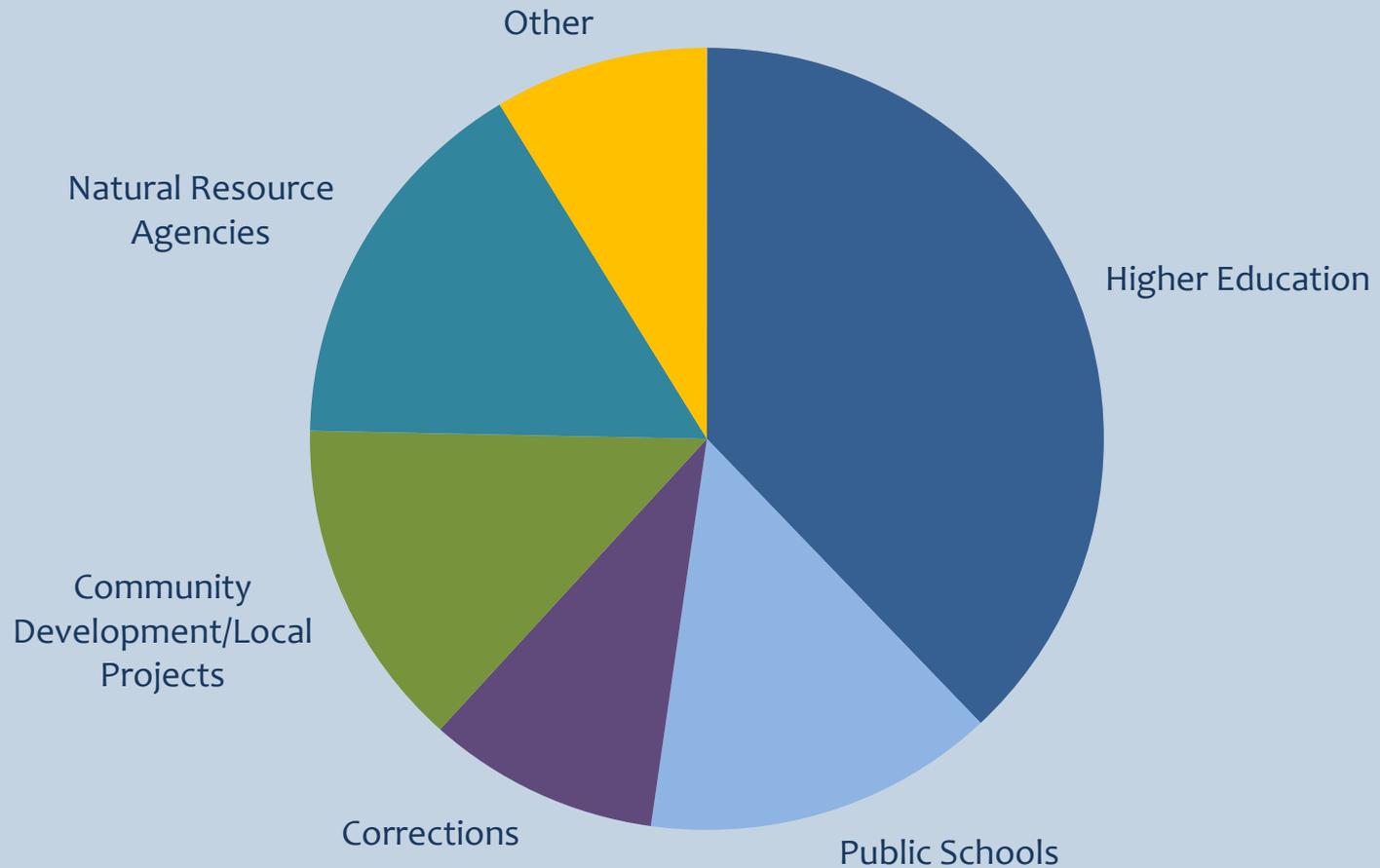


2011-13 Enacted*



*includes supplemental budgets

2011-13 Debt Service Payments Allocated by Selected Areas of the Capital Budget



Note: Debt Service is for Debt Limit Bonds Only

Source: Legislative Evaluation & Accountability Program (LEAP) Committee.

The Capital Budget is Sized by the Constitutional Debt Limit

- ❑ 9% debt limit (Article 8, Section 1) adopted by voters in 1972 replaced a fixed debt limit of \$400,000.
- ❑ The state debt limit expands and contracts with state general revenues, and consequently, with the growth or contraction of Washington's economy.
- ❑ Principal and interest payments in any year may NOT exceed 9% of average of prior three years general state revenues.
- ❑ The 2012 Legislature is proposing changes to the Constitutional debt limit.

Current Status of the Capital Budget

- ❑ Revenues declined by \$1.4 billion as of the September 2011 forecast, and again by an additional \$122 million as of the November 2011 forecast.
- ❑ This decline in revenue eliminated any general obligation bonding capacity for the Governor's proposed 2012 supplemental capital budget.
- ❑ Since completion of the Governor's proposed capital budget, changes have occurred to allow for capacity to issue new general obligation bonds. These changes are:
 - ❑ Multiple re-funding of existing general obligation bonds
 - ❑ Significant decrease in interest rates
 - ❑ Slight increase in general state revenues used to calculate debt capacity
 - ❑ A recent sale of general obligation bonds that sold at a rate much lower than what was previously assumed in the debt capacity calculations

2012 Capital Supplemental ESB 6074

Capital Budget	Proposed
New General Obligation Bonds	\$510.4 M
Certificate of Participation Funding	\$189.8 M
Other Funds	\$378.1 M
Total Resources	\$1.078 B
Total Expenditures	\$1.078 B

Higher Education	Proposed
University of Washington	\$69.8 M
Washington State University	\$38.9 M
Eastern Washington University	\$2.54 M
Central Washington University	\$.430 K
Western Washington University	\$1.53 M
Total Higher Education	\$113.2 M

2013-15 CAPITAL PROJECTS EVALUATION SYSTEM

SUMMARY OF CHANGES

CAPITAL PROJECTS EVALUATION SYSTEM

CHANGES FOR 2013-15

Subcategories for intermediate projects whose cost range between \$2 million and \$5 million.

Major Projects/Design	Growth	Renovation	Replacement	Research
Max. Category Points	74	85	85	92
Max. Priority Points	10			

Intermediate Projects	Growth	Renovation	Replacement	Research
Max. Category Points	53	64	64	71
Max. Priority Points	6			

CAPITAL PROJECTS EVALUATION SYSTEM CHANGES FOR 2013-15

Overarching Criteria Revised

- more quantitative than qualitative
- integrated into category specific criteria
- consequently decreases number of panels required to review proposals

CAPITAL PROJECTS EVALUATION SYSTEM CHANGES FOR 2013-15

Projects Previously Scored but not Funded

- Provided there is no major change in scope, a project may retain its score for the following two biennia.
- Institutions may opt to resubmit the project for scoring even if there is no change in scope, recognizing that criteria may change.
- Applies to projects previously scored at the design phase but not funded for construction or for design.

CAPITAL PROJECTS EVALUATION SYSTEM CHANGES FOR 2013-15

Proposal Checklist

- One required with each proposal.
- Institutions required to certify items included in proposal.
- Facilitators will no longer be checking submittals for completeness.

CAPITAL PROJECTS EVALUATION SYSTEM CHANGES FOR 2013-15

Institutional Priority Points

- ❑ Institutional Priority Points will remain CONFIDENTIAL until after evaluation panels have completed the process.
- ❑ A new form is available for this purpose, to be submitted directly to the OFM higher education capital budget analyst, separate from the proposals.

CAPITAL PROJECTS EVALUATION SYSTEM

CHANGES FOR 2013-15

- ❑ The category “land acquisition” has been renamed “acquisition” and expanded to include facility acquisitions and/or land acquisitions that include built improvements.
- ❑ Greenhouse gas emissions policy – still a requirement that an institution have a policy in accordance with RCW 70.235.070 but no longer a scored criteria.
- ❑ The scoring of the availability-of-space criteria was revised to encourage projects that improve utilization on a campus that does not meet the utilization standards.
- ❑ The project review process has been streamlined from 4 to 3 meetings; with attendance of the 3rd meeting optional.
- ❑ Changes resulting from the 2012 Legislative Session will be issued by addendum.

KEY DATES

Institutions nominate panel members to assist in scoring	April 16-27, 2012
Question and answer period	April 1 - July 1, 2012
Institutions submit preliminary number of proposals per category to OFM	July 1, 2012
Institutions submit Project Proposals	August 1, 2012
Evaluation Panel Meeting #1: Orientation and Charge	August 13-17, 2012
Panel members independently review Project Proposals	August 13-27, 2012
Panel members forward follow-up questions to panel facilitator	On or before August 17, 2012
Institutions respond to follow-up questions.	August 20 - August 24, 2012
Evaluation Panel Meeting #2: Evaluation Panels complete project scoring	August 27 - September 7, 2012
OFM compiles scoring results	September 10-21, 2012
Evaluation Panel Meeting #3: OFM presents scoring results to four-year institutions; attendance optional.	September 24-28, 2012
Release results to Student Achievement Council and legislative fiscal committees, and four-year institutions	10/1/2012

EVALUATION PANELS

Panel Members will be drawn from:

- Office of Financial Management – operating and capital sections
- Department of Commerce
- Department of Enterprise Services
- Student Achievement Council
- Staff from four-year institutions
 - Capital Facilities (2 per institution with 1 alternate)
 - Academic Affairs (2 per institution with 1 alternate)

SINGLE PRIORITIZED LIST

E2SHB 2483, Sec. 110 (4)

OFM shall develop one prioritized list based on the following priorities in the following order:

- (i) OFM scores pursuant to chapter 43.88D RCW;
- (ii) Preserving assets;
- (iii) Degree production; and
- (iv) Maximizing efficient use of instructional space.

SINGLE PRIORITIZED LIST

E2SHB 2483, Sec. 110 (4)

The ranking for the prioritized list of capital projects may **not**:

- (i) Include subpriorities;
- (ii) Be organized by category;
- (iii) Assume any state bond or building account biennial funding level to prioritize the list; or
- (iv) Assume any specific share of projects by institution in the priority list.

QUESTIONS/DISCUSSION

Link to 2013-15 Higher Education Capital Projects Evaluation Instructions:

<http://www.ofm.wa.gov/budget/instructions/capinst/13-23capinstr/highered.asp>

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