

2003-2005 HIGHER EDUCATION OPERATING AND CAPITAL BUDGET RECOMMENDATIONS

October 2002

2003-2005 HIGHER EDUCATION OPERATING BUDGET

Section 1. Summary

The Higher Education Coordinating Board (HECB) is a citizen board charged by statute to “identify the state’s higher education goals, objectives, and priorities” and to “review, evaluate, and make recommendations on operating and capital budget requests” (RCW 28B.80.330(2), (4)). The citizens appointed to the current board share a deep concern regarding the future of higher education in Washington State, especially in light of the financial situation facing those responsible for state government budgeting. These budget recommendations are offered as a vision of what higher education could and should be in this state, not as a specific blueprint on how to balance a budget with limited funds. Also, these budget recommendations are not designed to identify a specific funding level for individual institutions. The Board will be undertaking a discussion of higher education funding over the next few months, and will share the results of those discussions in the near future.

Higher education is facing a crisis in Washington State. Years of limited state funding support, imposition of across-the-board budget cuts, and assumptions of “efficiency increases” as a way to avoid funding enrollment growth have resulted in a drop of state per student support of 9 percent at public four-year institutions since the 1991-1993 biennium, adjusted for inflation. Qualified students are being turned away from all of our four-year institutions, and crowding at the two-year institutions have resulted in growing waiting lists and class-closed lists. Demand for job training and re-training is growing, as is the need for pre-college courses for a variety of students who want an opportunity to fully participate in the economy and community. The financial responsibility for college expenses is being continually shifted to students and their families, threatening the ability of those with limited means to participate. At the same time, the state population, including the college-going portion of that population, is expected to keep growing for another ten years.

In the face of this unprecedented demand for higher education is a state government financial outlook that is grim. Revenues are not growing, just at the time when investments in higher education are needed. The economy is struggling, which increases the demand for job re-training. Experience in other states has taught us that re-tooling workers during an economic downturn is key to the strength and sustainability of the recovery—when it comes.

In this environment of pressures and limitations, the citizen governing boards of the public higher education institutions have presented budget requests for the 2003-2005 biennium that

present the specific needs of their individual campuses and programs. The research institutions have focused on the erosion of state support for their educational programs, the community and technical colleges have focused on the need for expanded enrollment with increased per student funding levels, and the comprehensive universities have addressed both enrollment and specific funding concerns.

The HECB endorses the budget requests put forward by the governing boards of the institutions and recommends they be funded. In addition, the HECB has determined that reviewing benchmarks for funding levels is an appropriate approach to establishing a total system-wide budget for higher education. The HECB further recommends:

- **The state re-commit to the goal of providing postsecondary education opportunity to its residents as one of its primary duties. The value of postsecondary education to the student, their family, the economy, and the state community require no less.**
- **The state commit to the goal of providing targeted enrollment opportunities to students who need training or re-training to be successful in the workforce and contribute to the state economy.**
- **The state reverse recent state funding trends and fully support the cost of providing a quality education to students at a price they can afford—students and their families deserve no less.**
- **The state meet its responsibility to enable those students with limited means to participate in postsecondary education through carefully designed and adequately funded financial aid programs.**
- **The state step up to the responsibility of acquiring sufficient resources to invest in higher education to meet these commitments.**
- **The public institutions be responsible to clearly explain to the Governor, Legislature and the HECB how these additional resources have been used, and the benefits that have accrued.**

These HECB recommendations may seem aggressive in this era of financial limitations, but they are also urgent. Continued reductions in state support for the higher education system in Washington State, allowing it to deteriorate into a second-class status, is simply not an acceptable course of events. The HECB is taking the leadership role to call for an end to the discussions of financial difficulties, fiscal constraints, and so-called efficiencies and reprioritizations, and deal with the reality that investing in the state's higher education system is critical.

Section 2. Enrollment Needs for the 2003-2005 Biennium

Maintaining the Current Service Level

The concept of maintaining the current level of service is employed extensively in state agency operating budget development in Washington State, and is a useful first step in building an estimate of enrollment demand or need. Stated simply, this concept identifies the number of student FTE enrollments required to allow the same percentage of the college-going population to attend college in a future year as in the base year. This is done by applying the percentage of participation to population projections for the future by age and gender. The Office of Financial Management (OFM) makes these calculations every two years, and an update is expected in November 2002.

The latest forecast currently available is for Fall 2000 actual enrollments compared to the November 2000 OFM population forecast. Based on these projections, the enrollment level required to maintain participation (service) at the rate experienced in Fall 2000 is as follows:

To Maintain the Fall 2000 Current Service Level

	2-year Schools	Increase	4-year Schools	Increase	Total	Increase
FY 2003 budget	128,222		85,290		213,512	
FY 2004 OFM projection	131,862	3,640	89,385	4,095	221,247	7,735
FY 2005 OFM projection	133,531	1,669	91,132	1,747	224,663	3,416
Subtotal, Current Service Level Increases		5,309		5,842		11,151

Note: The OFM projection is based on Fall 2000 actual enrollment and the November 2000 enrollment forecast. These projections will be updated in November 2002.

Maintaining the same level of service, or rate of participation, as was provided in the Fall of 2000 should not be seen as the state's enrollment goal, but rather should be seen as an important first step. The HECB's work on the Master Plan for higher education over the coming year will examine enrollment goals and needs.

Targeted Enrollment Additions

In addition to preserving the same level of service or participation in college to a growing population, the institutions and the HECB have identified the need for additional targeted student enrollments. These enrollments are designed to address specific issues such as the current health care worker shortage, increasing worker retraining needs driven by economic conditions, and the

demand for increased graduates in specific high demand fields. Following is a listing of these enrollments:

To Provide Additional Targeted Enrollment Increases

	<u>FY 2004</u>	<u>FY 2005</u>	<u>Total</u>
Two-year schools			
Apprentice	100	100	200
FY 2003 workforce	1,320		1,320
Health care	200	200	400
Economic development	750	750	1,500
Two-year and four-year schools			
HECB high demand pool		1,000	1,000
<hr/>			
Subtotal, Targeted Increases	2,370	2,050	4,420

Note: These targeted enrollment increases reflect specific requests by the institutions and the HECB, and are not included in the current service level calculations shown above.

Total Estimated New Student FTE Enrollment Need

The total number of new student FTEs in the 2003-2005 biennium to both maintain the service levels of Fall 2000 and provide the targeted enrollments requested by the institutions is:

Summary of Total Enrollment Increase Need

	<u>FY 2004</u>	<u>FY 2005</u>	<u>Total</u>
Two-year schools	6,010	2,719	8,729
Four-year schools	4,095	1,747	5,842
HECB high demand pool		1,000	1,000
<hr/>			
Grand Total	10,105	5,466	15,571

The Cost of Investment: Additional Enrollments

It is critical that additional enrollments be funded by the state at a level that enables the institutions to develop and deliver quality education to additional students. In FY 2002, the institutions enrolled a total of 12,326 student FTEs above the amount supported by the state.

This is comprised of 3,446 over-enrollments in the four-year institutions and 8,880 over-enrollments in the two-year institutions. For the purpose of comparison, these levels of over-enrollment are about equal to half of Central Washington University and a two-year institution larger than Bellevue Community College, respectively. **The HECB believes the state should not expect institutions to continue to enroll students far in excess of the state support provided.** Institutions currently enroll these additional students because of their commitment to access and opportunity, but continuing the current practice of substantial over-enrollment is not fair to the students, the institutions, or to the long-term interests of the state.

Three approaches have been employed to develop a projected cost per FTE for the different types of enrollments that would be adequate to support quality programs:

1. CTC general and apprenticeship enrollment funding per new student FTE is set at the projected western state average of \$5,638 in FY 2004 and \$5,777 in FY 2005. This is slightly higher than the requested level of \$5,410 per year.
2. Four-year general enrollment funding per new student FTE is set at the average of their peer institutions. These amounts are \$10,460 in FY 2004 and \$10,719 in FY 2005. Since the distribution of additional FTEs among institutions is not known, a simple average of their peer funding levels is used.
3. The CTC targeted enrollments and the HECB high demand pool are funded at the amount requested in their 2003-2005 biennium budget requests.

Based on this methodology for determining the cost per student FTE and the number of additional student FTEs to both maintain current service levels (the Fall 2000 rate of participation) and provide the targeted expansions defined above, the **total cost in the 2003-2005 biennium would be \$204 million in state funds.**

Cost of Enrollment Need

\$ Millions

	<u>FY 2004</u>	<u>FY 2005</u>	<u>Total</u>
Two-year schools	\$35.4	\$53.2	\$ 88.6
Four-year schools	\$42.8	\$62.6	\$105.4
HECB high demand pool		\$10.0	\$ 10.0
Grand Total	\$78.2	\$125.8	\$204.0

Section 3. Core Support for Educational Quality for the 2003-2005 Biennium

The History of Peer Comparisons

The HECB first employed peer funding comparisons in the Master Plan submitted in December 1987 to set a goal for higher education state funding on a per student basis. The Board proposed setting the peer average funding level as the first step in an overall re-design of the approach to state funding, and reaching these peer averages for funding was recommended to occur over the following three biennia. From January to October of 1988 a HECB subcommittee, HECB staff, institutions and executive and legislative partners worked on establishing these peer groups and refining the funding goals. In its budget recommendations for the 1989-1991 biennium, the HECB adopted an operating budget funding policy with the following elements:

- The peer institutions to be used for benchmarking purposes should be those recommended by the Joint Executive-Legislative Study Group.
- The funding goal should be to reach the 75th percentile of the respective peer groups over a six-year period.
- In the absence of a peer group for The Evergreen State College, the funding goal should be to maintain its then-current relative position with respect to the comprehensive institutions.
- Branch campus funding should be addressed outside these funding goals.

In the budget discussions that have ensued over the 14 years since the HECB originally adopted a per student funding goal, the use of peer comparisons has continued and been expanded to include peer comparisons as a benchmark for salary levels and tuition charges. The use of peer comparisons has become an expected element of biennial budget deliberations. This benchmarking approach is often viewed with skepticism by some in the budget process. These questions and concerns with using peer comparisons as a benchmark may be more rooted in the reality of the comparisons than in the approach. The reality of the comparison shows that Washington institutions remain funded below the average of their peers.

For the 2003-2005 biennium, the University of Washington and Washington State University have provided a per-student peer funding comparison to quantify their requests to increase core funding. Their presentations yield results that are consistent with peer comparisons over the past 14 years—that Washington State institutions lag behind their peer averages.

Other than benchmarking through the use of peer comparisons, there is no commonly accepted method to determine how much it should cost to provide an adequate postsecondary education to a student. This issue of funding in higher education is addressed by the National Center for Public Policy and Higher Education in “Losing Ground: A National Status Report on the Affordability of American Higher Education” (2002):

“We do not know of any accepted measure of the adequacy of financial support of higher education. At present, there is no credible methodology for determining whether the

increased costs of providing higher education, including those costs supported by state appropriations and tuition, are essential for the quality and accessibility of public higher education. Nor is there an accepted way to determine whether the same or higher levels of accessibility and quality could have been reached with less state expenditure or with lower tuition levels.”

The peer comparison concept is a common sense approach based on a market economy model and the relatively unrestricted opportunity for students to move among institutions around the nation. Hence, a fair comparison of the overall costs of offering a wide range of instructional programs should be to compare the amount invested per student with peer institutions. For the same reasons that the HECB first adopted this approach in 1987, it is still used today—because it is the most reasonable (and measurable) basis upon which to make projections of per-student funding need.

The Cost of Investment: Attain Peer Funding Averages

The HECB recommends the state begin to address the long-standing HECB policy of funding institutions at an adequate per-student funding level. The first step would be to increase per-student funding to a benchmark that represents the average of their peer institutions. Bringing funding to peer averages would provide the resources for institutions to individually address their needs for salary increases, recruitment and retention of faculty and staff, part-time faculty equalization, facility maintenance, student support services, library operations and other expenses that are integral to the delivery of quality instructional programs.

To bring average per-student funding to the same level as peer institutions for the 2003-2005 biennium, the HECB estimates the following additional funding would be required:

- An increase of \$797 million above the 2001-2003 biennium funding level.
- An increase of \$609 million above the total institution budget request level for the 2003-2005 biennium, excluding the amounts requested for new enrollments.

These numbers are based on the following assumptions:

- FY 2001 financial data as reported to IPEDS (combined state and local government appropriations).
- Fall 2000 data for peer FTE enrollment estimates.
- Calculations are a weighted average (mean) for the peer institutions (total state and local government appropriations for all the peers divided by the total number of FTE students at all the peers). Washington institutions were excluded.

- For Washington institutions, FY 2001 expenditure data came from the LEAP system and Fall 2000 FTEs were reported by OFM. For UW and WSU, average expenditure per FTE was used, and for the comprehensives a weighted average for all four institutions combined was used.
- For the community and technical colleges, the comparison is to other community and technical colleges located in western states.

State and Local Appropriations per FTE Student				
	FY 2001		Peer Average Projections	
	Institution	Peer Average	FY 2004	FY 2005
UW – All Campuses	\$9,223	\$12,148	\$12,932	\$13,252
WSU – All Campuses	\$9,737	\$11,077	\$11,792	\$12,084
Comprehensives*	\$5,350	\$ 6,254	\$ 6,657	\$ 6,822
Comm and Tech Colleges	\$4,123	\$ 5,296	\$ 5,638	\$ 5,777

*Numbers shown are averages for the four comprehensive institutions. Each is in a different position relative to the peer average.

Section 4. Financial Aid Needs for the 2003-2005 Biennium

On average, tuition at public institutions has increased over 20 percent in the 2001-2003 biennium, with obvious implications for students. The state has continued to shift the cost of public higher education from state support to student and family support. In 1978, students at research institutions paid 25 percent of the cost of instruction, today that number is approaching 47 percent. For low and middle income students, this increase in cost imposes a tremendous burden that translates into additional debt, a shift from full-time to part-time attendance, or a decision to forego any postsecondary education.

The Cost of Investment: Continuing Financial Aid Programs at the FY 2002 Level

The HECB budget request for the 2003-2005 biennium was based on two assumptions:

1. Since financial aid awards are linked to tuition increases, and the amount of tuition increases expected for the upcoming biennium cannot be predicted, a specific dollar request for financial aid for this purpose was not made. Instead, the additional cost of current financial aid programs for every one percent of tuition increase was identified.
2. Financial limitations might limit the state's ability to fund financial aid programs in the 2003-2005 biennium, so the request level was limited to restoring the FY 2002 level of assistance.

As a result of these assumptions, the HECB budget request included \$28.1 million for increased awards, and another \$1.2 million to improve program administration.

The Cost of Investment: Increasing Financial Aid in Response to Tuition Increases

Historically, increases in tuition have triggered increases in financial aid awards to mitigate the impact on needy students. The large increases in tuition adopted during the 2001-2003 biennium (over 20 percent for two years) make it even more important to protect needy students from future tuition increases. The HECB has adopted a policy that institutions should have the flexibility to set tuition at levels appropriate for their particular circumstance. For the purpose of estimating the funding for financial aid associated with tuition increases, the HECB estimates that financial aid programs would need to increase by an additional \$27.3 million to fully protect an eligible student receiving aid at the FY 2002 level from a 6.75 percent tuition increase in each year of the 2003-2005 biennium.

The Cost of Investment: Meeting the HECB Financial Aid Goals

Because the HECB 2003-2005 biennium budget request was limited to restoring the FY 2002 level of assistance, there are two important financial aid goals that are not fully realized in the HECB budget request:

1. The HECB has adopted the goal of increasing the Need Grant level to cover the full cost of public sector tuition for students whose family income is below 65 percent (currently 55 percent) of the state's median. This would increase the income limit for a family of four from \$35,000 in FY 2002 up to \$41,500 in FY 2003, and would add 3,000 students to the program. The cost to accomplish this goal in the 2003-2005 biennium is \$28 million.
2. The HECB has also adopted the goal of providing all eligible Promise scholarship recipients with awards equal to the full value of community and technical college tuition. The cost to accomplish this goal in the 2003-2005 biennium is \$5 million.

The Cost of Investment: Financial Aid for the Additional Enrollments

The HECB 2003-2005 biennium budget request did not include funds to provide financial aid to new FTE enrollments because the number of new enrollments is not yet known. For the purpose of providing information in this area, the HECB estimates that the cost of providing financial aid at the HECB goal level for the 15,571 new FTE enrollments identified in Section 2 is \$14.8 million.

The total HECB recommendation for financial aid is:

Restore awards to FY 2002 levels	\$28 million
Protect students from a 6.75 percent tuition increase	\$27 million
Achieve the HECB goals for Promise and State Need Grant recipients	\$33 million
Provide Financial Aid to New Enrollments	<u>\$15 million</u>
Total	\$103 million

Section 5. Tuition Levels

In January 2002, the HECB adopted a resolution regarding the responsibility for setting tuition levels in the public institutions, primarily because the state was facing an unexpected revenue shortfall, and the prospect of impending budget cuts posed a threat to the quality of and access to public higher education. The fiscal situation facing the state for the 2003-2005 biennium is unchanged. An unexpected revenue shortfall and the prospect of a slow recovery in revenues continue to pose a threat to public institution programs. For that reason, the HECB continues to support the resolution adopted almost a year ago.

Therefore, the Higher Education Coordinating Board continues to recommend to the Governor and the Legislature that the **governing boards of Washington's public colleges and universities and the State Board for Community and Technical Colleges be given tuition-setting authority, and, because this recommendation represents a significant change in the state's long-term tuition policy, it should be accompanied by the following actions:**

- The governing boards act to preserve the long-standing state policy of affordable and predictable tuition for all citizens by implementing a public process for setting tuition that provides for comment from all interested parties. Tuition decisions should recognize that students will continue to utilize federal and state financial aid programs, and should ensure that institutional financial aid be provided at a rate compatible with tuition increases.
- The state provide sufficient state resources to (1) offer top-quality programs, (2) fully fund new enrollments to meet growing demand, and (3) improve state financial aid and scholarship programs. The state should provide increased funding for financial aid programs to reflect tuition increases and improvements in other student assistance programs.
- The public colleges and universities continue to seek ways to be more efficient and effective with their resources.
- The Board join with the Governor's office, the Legislature, and the institutions of higher education to further study the relationships between policies of state support, tuition and financial aid in the HECB 2004 Master Plan. Part of this ongoing study of funding policies should be a description by the institutions of how changes in tuition affect the demographic and socioeconomic composition of their student body and how additional state and tuition funds they receive in each biennium are used—and the benefits that result.

For the purposes of providing cost estimates for financial aid recommendations, these budget recommendations include calculations assuming a 6.75 percent tuition increase in each year of the biennium. This assumption is based on the long-term historical average of tuition increases calculated by the actuaries for use in establishing the price for the Guaranteed Education Tuition (GET) program.

Section 6. The Funding Gap

The total resource needs to achieve the goals set forth above are:

Increased Enrollment	\$204 million
Core Support on per-student basis	\$797 million
Financial Aid	<u>\$103 million</u>
Total	\$1,104 million

This funding gap identifies the financial need to equip higher education with the tools necessary to provide a quality educational experience to the students of Washington State. However, the HECB recognizes the financial conditions facing the state and proposes closing this funding gap over time, as suggested in HECB operating budget recommendations in prior biennia. An option for phasing these recommendation follows:

- Limit new enrollments in the public four-year institutions to the levels proposed in the budget requests of the four-year institutions. This action would reduce the HECB-identified funding need by \$32 million in the 2003-2005 biennium.
- Increase core support funding per student up to the peer averages in equal increments over two biennia. This action would reduce the HECB-identified funding need by \$413 million in the 2003-2005 biennium.
- These combined phasing actions would reduce the 2003-2005 biennium HECB-identified funding need to reach the HECB goals to \$659 million.

The Higher Education Coordinating Board makes these recommendations, believing a healthy higher education system is the bedrock of social and economic progress, and that the state of Washington will step up to its commitment to fully support higher education. Higher education expands and enriches the lives of our citizens. It helps both the state and the individual by building a foundation of support for an educated citizenry that fully participates in a democratic society.

"Sizing the Problem"

2003-05 Biennium

Dollars in Millions

Revenues:

2003-05 Revenue Forecast (September 2002)	\$22,700
12.2 Percent	\$2,769

Expenditures:

Higher Education Budget Requests		Amount Over 2001-03
Current 2001-03 Biennium	\$2,734	
2003-05 Maintenance Level	\$2,751	\$17
Policy Adds (priced)		
Enrollments	\$124	
Core funding (UW and WSU)	\$96	
Part-time faculty salaries (CTC)	\$20	
Financial aid (HECB)	\$20	
Other	\$35	
Subtotal Budget Requests	\$295	\$312
Unpriced Policy Adds		
Faculty Salaries	\$80	
At the comprehensives and the SBCTC; faculty salaries for the research universities are included in the core funding proposal; assumes COLAs of 2.1%/2.4% plus recruitment and retention funds of 3% each year		
Financial Aid	\$27	
Assumes annual tuition increases of 6.75% and 6.75% in the 2003-05 biennium		
Total request 2003-05	\$3,153	\$419

2003-05 Institutional and HECB Budgets Based on Benchmarks and Board Policies		
Additional enrollments to maintain participation rates	\$204	\$204
Maintain current service levels (Fall 2000 participation rate) plus providing targeted expansions in workforce training and high-demand fields - adds 15,571 FTE students by FY 2005		
Current enrollments funded at benchmarks	\$3,267	\$797
Budgeted 2002-03 enrollments funded at the peer averages beginning 2003-04		
Financial aid funding at HECB policy levels	\$367	\$103
Full funding of the financial aid programs including the State Need Grant awards to cover the full cost of tuition and serving students up to 65% of the state's median family income and the Promise Scholarship award equal to the full CTC tuition		
Total Operating Budget	\$3,838	\$1,104

2003-2005 HIGHER EDUCATION CAPITAL BUDGET

Summary of Institution Request

As shown in Table I, the public universities and colleges are seeking \$1.02 billion in new capital project appropriations for the 2003-2005 biennium.¹ Of this total request amount, \$94 million is requested from the Education Construction Fund, \$779 million in state bonds, and \$149 million from all other local funds.²

This proposed spending level is significantly higher than the higher education capital budget adopted for the current 2001-2003 biennium. Specifically, the 2001-2003 capital budget contained a total of \$650 million in new capital spending for higher education. Of that amount, \$414 million came from state bonds, \$109 million from the Education Construction Fund, and \$127 million from local capital project accounts.

Table I

	Ed. Construction Fund	State Bonds	All Other Funds	Total All Funds
	\$	\$	\$	\$
University of Washington	\$0	\$158,065,516	\$38,000,000	\$196,065,516
Washington State University	\$0	\$130,048,000	\$38,425,000	\$168,473,000
Eastern Washington University	\$0	\$45,343,310	\$11,316,325	\$56,659,635
Central Washington University	\$0	\$54,874,000	\$7,589,100	\$62,463,100
The Evergreen State College	\$0	\$30,350,000	\$8,500,000	\$38,850,000
Western Washington University	\$0	\$34,932,389	\$8,050,000	\$42,982,389
Sub-Total: Four Year Institutions	\$0	\$453,613,215	\$111,880,425	\$565,493,640
Community and Technical Colleges	\$94,283,917	\$325,380,561	\$37,000,000	\$456,664,478
TOTAL	\$94,283,917	\$778,993,776	\$148,880,425	\$1,022,158,118

This requested capital spending level reflects two important changes from prior biennium requests. First, the community and technical colleges' total request of \$457 million is significantly higher than the amount requested in the current biennium (\$283 million). This proposed increase in capital spending reflects a priority on continuing to alleviate significant space shortages at the campuses and, concurrently, to meaningfully address the severe backlog of replacement and renovation needs at the colleges.

¹ Appendix A provides the detail of the institutions specific capital project requests.

² The Education Construction Fund receives revenue from the state's Lottery and is dedicated for common school and higher education construction projects. State bonds are General Obligation bonds which are limited under the statutory debt limit. Local funds are primarily institutional capital project accounts which receive funds from tuition/building fees and timber trust proceeds.

Second, the four-year institutions total request of \$565 is significantly lower than the 2001-2003 total request of \$800 million. This change reflects an increased concentration on and commitment to addressing the preservation needs of existing facilities while limiting new construction initiatives. While some facility growth is proposed for the branch campuses and higher education centers, the four-year institutions, like the community and technical colleges, are placing high priority on restoring their existing physical plant.

HECB Prioritization Of The Budget Request

For the 2001-2003 biennium budget process, the Higher Education Coordinating Board (HECB) was asked by the Chair of the Senate Ways and Means Committee and the Co-Chairs of the House Capital Budget Committee to take a new approach in developing the Board's biennial capital budget recommendations. Specifically, the Board was asked to develop a methodology to prioritize and rank capital project requests both within and across the two- and four-year institutions. This statewide perspective on capital needs, as expressed through the integrated rankings, is **not a substitute** or alternative to the institutions' own budget priorities. Rather, this method is intended to provide an **additional perspective** to assist the Legislature and Governor in making important capital funding decisions.

To arrive at the integrated project rankings, the Board uses a Capital Project Evaluation Model which categorizes and scores projects based upon capital priorities related to key initiatives of the state's Comprehensive Master Plan for Higher Education.³

The policy framework for deriving the integrated prioritized list of the capital projects places the highest priority (Categories 1-4) on protecting and preserving the physical and academic quality of the existing capital assets of the universities and colleges. Following these projects, priority is placed on alleviating existing space shortages and adding capacity for future enrollment demand (Category 5), meeting capital needs for areas of high program demand (Category 6), and supporting investments to promote institutional competitiveness (Category 7). Projects whose deferral for one biennium would not jeopardize safety or program quality are placed in Category 8.

Table II and Illustration 1 show the distribution of the 2003-2005 higher education capital budget request by the HECB project priority categories. As is shown, nearly half (45 percent) of the institutions' total capital project requests are for major building replacement, renovation, and infrastructure improvements (\$452 million). An additional \$136 million, or 13 percent of the total request, is for critical repairs and emergency contingency, while \$122 million (12 percent of the total request) is for minor improvements and equipment acquisition.⁴

³ See Appendix B for the Capital Project Evaluation Model.

⁴ Appendix C provides the institutional summary of the project requests by the HECB priority categories and fund source.

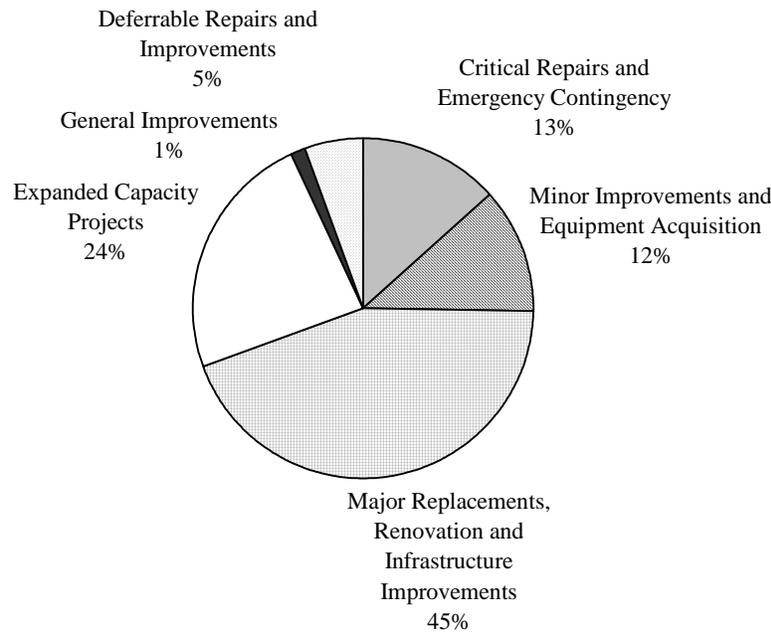
Capital projects to expand capacity by providing new space constitute 24 percent of the total request (\$242 million). Nearly two-thirds (64 percent) of this amount is being requested by the community and technical colleges to address existing space shortages and to accommodate increased enrollment demand. Most of the four-year institutions' request for expanding capacity (\$88 million) is for new construction projects at the branch campuses and centers (about \$60 million).

Appendix D provides the detail of the specific project categorization and rankings. The projects are ranked first by the HECB project score. Projects with equal scores are then listed by institution in alphabetical order and then by institutional priority.

Table II

	Ed. Construction Fund	State Bonds	All Other	Total
Critical Repairs and Emergency Contingency	\$0	\$86,926,164	\$49,050,000	\$135,976,164
Minor Improvements and Equipment Acquisition	\$20,040,317	\$58,794,379	\$43,155,425	\$121,990,121
Major Replacements, Renovation & Infrastructure Improvem	\$25,180,600	\$371,406,175	\$55,250,000	\$451,836,775
Expanded Capacity Projects	\$0	\$242,423,058	\$0	\$242,423,058
General Improvements	\$0	\$14,044,000	\$450,000	\$14,494,000
Deferrable Repairs and Improvements	\$49,063,000	\$5,400,000	\$975,000	\$55,438,000
Total 2003-2005 Request	\$94,283,917	\$778,993,776	\$148,880,425	\$1,022,158,118

Illustration 1



HECB Funding Recommendation

The Board believes that the 2003-2005 capital budget for higher education must address three critical needs. The budget should:

- *Provide a significant initial step in addressing the backlog of preservation, renewal, and replacement needs of higher education facilities (estimated in excess of \$1.3 billion).*
- *Fund numerous projects in the community and technical colleges to alleviate critical space deficiencies and overcrowding.*
- *Allow for the completion of major construction projects at the comprehensive institutions and the branch campuses.*

Accordingly, the Board recommends that capital projects falling in HECB categories 1 through 5 be authorized in the 2003-2005 biennium. The total amount for these projects, as requested by the institutions, is \$952 million.

While the technical project review provided by the Office of Financial Management in preparation of the Governor's proposed capital budget will identify opportunities to reduce the costs of the requested projects, it is clear that, based upon historical capital appropriation levels,

additional revenue will be needed to achieve the important higher education capital priorities identified above.

Specifically, higher education has in recent biennia received about one-half of new state bonds authorized by the legislature each biennium. Additionally, in the 2001-2003 biennium, higher education received about 42 percent of the Education Construction Fund. Using these percentage “shares”, Table III provides an estimate of the revenue available to higher education from these sources as well as the institutions’ local dedicated construction accounts for the 2003-2005 biennium.

Table III

	Ed. Construction Fund	State Bonds	All Other Higher Ed. Funds	Total
Total Estimated 2003-2005 Revenue	\$125,000,000	\$925,000,000	\$149,000,000	NA
2003-2005 Higher Education Share Estimate	\$52,500,000	\$462,500,000	\$149,000,000	\$664,000,000

If these “share” estimates are realized, a shortfall of approximately \$300 remains. To address this gap, the Board has identified two alternatives. First, the Governor and Legislature could consider a one-time increase in the statutory debt-limit⁵ to raise an additional \$300 million. While this would represent a very small and marginal increase in the statutory debt limit (less than $\frac{3}{4}$ of one percent), this alternative is problematic since it would add to general fund debt service, thus exacerbating current and projected general fund revenue shortfalls.

A second option, which is favored by the Board, is to issue \$300 million in reimbursable bonds, not subject to the statutory debt limit, to be serviced from the Education Construction Fund. Assuming 6 percent interest and a term of 25 years, the annual debt service on these bonds would be about \$23 million, or \$46 per biennium. This biennial debt service represents 37 percent of the funds estimated 2003-2005 revenue. In the 2001-2003 biennium, higher education received about 42 percent of the total fund.

The Education Construction Fund bond authorization would provide a **one-time infusion** of capital which, when combined with the recommended spending levels from General Obligation Bonds and local institutional funds, would provide a meaningful response to meeting the critical capital needs of higher education.

⁵ Statute limits the amount of debt service that can be paid in any fiscal period to 7% of the average of the prior three years general fund revenue.

Since the Education Construction Fund can only be used for capital projects in the common schools and higher education, this alternative would have **no impact on the state's general fund**. Additionally, this one-time infusion of needed capital will extend the Governor's and Legislature's Economic Stimulus Initiative by creating jobs throughout every region of the state.

Should additional revenue not be available, the Board believes that a balanced approach to funding the highest priority replacement and renovation projects (Category 4) and the most critical expanded capacity projects (Category 5) should be taken.

Appendix A

Institutional Project Request Detail

**2003 - 2005 CAPITAL BUDGET REQUEST
UNIVERSITY OF WASHINGTON**

Appendix A

Project	INST.	HECB		PHASE	ED. CONST.	2003-2005 BIENNIUM		Total	
	Priority	Category	Score			G.O. BONDS	OTHER		
Johnson Hall Renovation	1	4	94	Construction		\$50,352,025		\$50,352,025	
Urgent Deferred Renewal/Modernization	2	2	98	Design/Cnst.		\$50,000,000	\$10,000,000	\$60,000,000	
Campus Communications Infrastructure	3	4	94	Design/Cnst.		\$5,000,000	\$15,000,000	\$20,000,000	
Guggenheim Hall Renovation	4	4	94	Design		\$3,312,000		\$3,312,000	
Architecture Hall	5	4	94	Design		\$2,634,000		\$2,634,000	
HSC H Wing - Infrastructure	6	3	96	Design/Cnst.		\$4,996,716		\$4,996,716	
Major Renovation	7	4	94	Predesign		\$1,000,000		\$1,000,000	
Emergency Power Expansion	8	2	98	Design/Cnst.		\$14,461,164		\$14,461,164	
Facilities Adaptation for New Programs	9	4	94	Design/Cnst.		\$18,244,095	\$13,000,000	\$31,244,095	
UW Bothell/Cascadia Offramp	10	5	87	Construction		\$8,065,516		\$8,065,516	
						\$0	\$158,065,516	\$38,000,000	\$196,065,516

**2003 - 2005 CAPITAL BUDGET REQUEST
WASHINGTON STATE UNIVERSITY**

Appendix A

Project	INST.	HECB		PHASE	ED. CONST.	2003-2005 BIENNIUM		Total	
	Priority	Category	Score			G.O. BONDS	OTHER		
Johnson Hall Addition - Plant Bioscience Building	1	4	94	Construction		\$35,200,000	\$10,000,000	\$45,200,000	
Education Addition (Cleveland) - New Facility	2	4	94	Construction		\$11,160,000		\$11,160,000	
Biotechnology Life Sciences - New Facility	3	4	94	Design		\$3,500,000	\$3,000,000	\$6,500,000	
Biomedical Sciences - New Facility	4	4	94	Predesign			\$250,000	\$250,000	
Campus Infrastructure - Preservation	5	3	96	Design/Cnst.		\$11,500,000		\$11,500,000	
Wastewater Reclamation Project - Infrastructure	6	4	94	Design/Cnst.		\$10,713,000		\$10,713,000	
Minor Capital Improvements	7	3	96	Design/Cnst.			\$7,500,000	\$7,500,000	
Minor Capital Preservation/Renewal	8	3	96	Design/Cnst.		\$3,775,000	\$4,225,000	\$8,000,000	
Minor Capital Safety, Security, Environment	9	2	98	Design/Cnst.		\$3,000,000		\$3,000,000	
Equipment Omnibus Appropriation	10	3	96	Acquisition			\$8,000,000	\$8,000,000	
WSUnet Infrastructure	11	4	94	Design/Cnst.			\$4,000,000	\$4,000,000	
Hazardous Waste Facilities	12	2	98	Design/Cnst.		\$3,000,000		\$3,000,000	
Holland Library Renovation	13	7	77	Design		\$3,300,000		\$3,300,000	
Facilities Services Center	14	7	78	Construction		\$3,000,000		\$3,000,000	
Public Safety Building	15	8	74	Construction		\$3,000,000		\$3,000,000	
Hospital Renovation	16	7	76	Predesign			\$300,000	\$300,000	
Minor Capital Projects - Statewide	17	3	96	Design/Cnst.			\$1,000,000	\$1,000,000	
Spokane - Academic Center Building	18	5	86	Construction		\$32,500,000		\$32,500,000	
Vancouver - Utilities, Infrastructure	19	3	96	Design/Cnst.		\$4,300,000		\$4,300,000	
TriCities Bioproducts & Sciences Building	20	7	76	Predesign			\$150,000	\$150,000	
Spokane - Riverpoint Nursing Building	21	5	84	Predesign		\$600,000		\$600,000	
Prosser - Multi-Purpose Building	22	4	94	Design/Cnst.		\$1,500,000		\$1,500,000	
						\$0	\$130,048,000	\$38,425,000	\$168,473,000

Prepared by Washington State Higher Education Coordinating Board

**2003 - 2005 CAPITAL BUDGET REQUEST
EASTERN WASHINGTON UNIVERSITY**

Appendix A

Project	INST.	HECB		PHASE	ED. CONST.	2003-2005 BIENNIUM		Total	
	Priority	Category	Score			G.O. BONDS	OTHER		
Computer & Engineering Sciences (Cheney Hall)	1	4	94	Construction		\$19,000,482	\$5,000,000	\$24,000,482	
Senior Hall renovation - Phase I	2	4	94	Construction		\$6,816,165		\$6,816,165	
Campus Network	3	4	94	Design/Cnst.		\$1,500,000		\$1,500,000	
Infrastructure Preservation	4	3	96	Design/Cnst.		\$4,205,000		\$4,205,000	
HVAC Systems Preservation & Upgrades	5	3	96	Design/Cnst.		\$4,530,000		\$4,530,000	
Electrical Systems Preservation & Upgrade	6	3	96	Design/Cnst.		\$1,112,000		\$1,112,000	
Water Systems Preservation & Upgrade	7	3	96	Design/Cnst.		\$2,630,000		\$2,630,000	
Visitors Center	8	8	74	Construction			\$975,000	\$975,000	
Campus Roof Replacements	9	3	96	Design/Cnst.		\$1,549,663		\$1,549,663	
Minor Works - Preservation	10	3	96	Design/Cnst.		\$1,500,000	\$4,000,000	\$5,500,000	
Classroom Renewal	11	3	96	Design/Cnst.		\$1,000,000	\$691,325	\$1,691,325	
Campus Security Systems	12	8	74	Design/Cnst.		\$1,000,000		\$1,000,000	
Minor Works - Program	13	3	96	Design/Cnst.		\$500,000	\$650,000	\$1,150,000	
						\$0	\$45,343,310	\$11,316,325	\$56,659,635

**2003 - 2005 CAPITAL BUDGET REQUEST
CENTRAL WASHINGTON UNIVERSITY**

Appendix A

Project	INST. Priority	HECB Category	Score	PHASE	ED. CONST.	2003-2005 BIENNIUM		Total	
						G.O. BONDS	OTHER		
Music Facility - Phase II	1	5	89	Construction		\$14,000,000		\$14,000,000	
Minor Works - Health, Safety, Code Compliance	2	2	98	Design/Cnst.			\$950,000	\$950,000	
Minor Works - Facility Preservation	3	3	96	Design/Cnst.			\$1,163,500	\$1,163,500	
Minor Works - Infrastructure	4	3	96	Design/Cnst.			\$1,561,200	\$1,561,200	
Minor Works - Program	5	3	96	Design/Cnst.			\$3,914,400	\$3,914,400	
Utility Upgrade	6	4	94	Design/Cnst.		\$9,580,000		\$9,580,000	
Dean Hall	7	4	94	Design		\$4,900,000		\$4,900,000	
Hogue Technology Renovation & Addition	8	4	94	Pre-design		\$150,000		\$150,000	
DesMoines (Highline) Facility	16	5	89	Construction		\$10,000,000		\$10,000,000	
Nicholson Pavilion Air Quality/Asbestos	9	3	96	Design/Cnst.		\$3,500,000		\$3,500,000	
Seismic Life Safety Improvements	10	2	98	Design/Cnst.		\$1,000,000		\$1,000,000	
Peterson Hall HVAC Improvements	11	7	78	Design/Cnst.		\$1,091,000		\$1,091,000	
Farrell Technology Upgrade	12	7	78	Design/Cnst.		\$1,053,000		\$1,053,000	
East Entry/Wilson Creek	13	8	74	Design/Cnst.		\$1,400,000		\$1,400,000	
Psychology Building Remodel & Tech. Upgrade	14	7	78	Design/Cnst.		\$3,600,000		\$3,600,000	
Cogeneration	15	7	78	Design/Cnst.		\$2,000,000		\$2,000,000	
Wenatchee Facility	17	5	86	Design/Cnst.		\$1,500,000		\$1,500,000	
Moses Lake Facility	18	5	86	Design/Cnst.		\$1,100,000		\$1,100,000	
						\$0	\$54,874,000	\$7,589,100	\$62,463,100

**2003 - 2005 CAPITAL BUDGET REQUEST
THE EVERGREEN STATE COLLEGE**

Appendix A

Project	INST. Priority	HECB		PHASE	ED. CONST.	2003-2005 BIENNIUM		Total	
		Category	Score			G.O. BONDS	OTHER		
Emergency Repairs	1	2	98	Design/Cnst.			\$600,000	\$600,000	
Life Safety/Code Compliance	2	2	98	Design/Cnst.			\$2,500,000	\$2,500,000	
Minor Works Preservation	3	3	96	Design/Cnst.		\$4,350,000		\$4,350,000	
Infrastructure Preservation	4	3	96	Design/Cnst.			\$1,550,000	\$1,550,000	
Seminar II Construction	5	5	92	Construction		\$4,500,000		\$4,500,000	
Evans Bldg.	6	4	94	Construction		\$21,500,000		\$21,500,000	
Minor Works: Program	7	3	96	Design/Cnst.			\$850,000	\$850,000	
Lab II 3rd Floor - Chemistry Labs Remodel	8	4	94	Construction			\$3,000,000	\$3,000,000	
						\$0	\$30,350,000	\$8,500,000	\$38,850,000

**2003 - 2005 CAPITAL BUDGET REQUEST
WESTERN WASHINGTON UNIVERSITY**

Appendix A

Project	INST.	HECB		Type	Phase	PHASE	ED. CONST.	2003-2005 BIENNIUM		Total
	Priority	Category	Score					G.O. BONDS	OTHER	
Campus Infrastructure Development	1	4	94	2	3	Design/Cnst.		\$2,819,000		\$2,819,000
Campus Roadway Development	2	4	94	2	1	Predesign		\$329,000		\$329,000
Communications Facility	3	5	92	2	4	Construction		\$4,000,000		\$4,000,000
Academic Instructional Center	4	5	91	2	2	Design		\$5,618,000		\$5,618,000
Minor Works: Preservation and Safety	5	2	98	1	3	Design/Cnst.		\$1,965,000		\$1,965,000
Minor Works: Infrastructure	6	3	96	1	3	Design/Cnst.		\$1,905,000		\$1,905,000
Minor Works: Facility Preservation	7	3	96	1	3	Design/Cnst.		\$5,725,000		\$5,725,000
Minor Works: Program	8	3	96	2	3	Design/Cnst.		\$1,716,000	\$8,050,000	\$9,766,000
Recreation/PE Fields II	9	4	94	2	3	Design/Cnst.		\$4,482,060		\$4,482,060
Undergraduate Center	10	5	92	2	3	Design/Cnst.		\$4,998,329		\$4,998,329
Carver Gymnasium Renovation	11	4	94	2	1	Predesign		\$375,000		\$375,000
Facility and Property Acquisition	12	5	84	2	5	Acquisition		\$1,000,000		\$1,000,000
							\$0	\$34,932,389	\$8,050,000	\$42,982,389

**2003 - 2005 CAPITAL BUDGET REQUEST
COMMUNITY AND TECHNICAL COLLEGES**

Appendix A

Project	Priority	Category	PHASE	ED. CONST.	2003-2005 BIENNIUM		Total
					G.O. BONDS	OTHER	
Minor Works Preservation (RMI)	1	2	Design/Cnst.		\$ 13,500,000		\$ 13,500,000
Campus Childcare Center	2	5	Design/Cnst.		\$ 500,000		\$ 500,000
High Demand Technology Labs	3	5	Design/Cnst.		\$ 500,000		\$ 500,000
Redmond Campus Property Purchase	4	5	Acquisition		\$ 500,000		\$ 500,000
Community Resource Center w/ PASD	5	5	Design/Cnst.		\$ 500,000		\$ 500,000
Roof Repair A	6	2	Design/Cnst.			\$ 7,265,677	\$ 7,265,677
Facility Repair A	7	2	Design/Cnst.			\$ 22,428,699	\$ 22,428,699
Site Repair A	8	2	Design/Cnst.			\$ 5,305,624	\$ 5,305,624
Portable Replacement (Construction Phase)	9	4	Construction			\$ 2,000,000	\$ 2,000,000
Science and Technology Center	10	4	Construction		\$ 22,098,000		\$ 22,098,000
Stout Hall/Basic Education Program (AA3)	11	4	Construction		\$ 4,049,889		\$ 4,049,889
Portables (5A, 21A, 21B, and 6A)/Fitness Lab	12	4	Construction		\$ 2,622,000		\$ 2,622,000
Sunquist & Anthon Hall - Classroom Bldg	13	4	Construction		\$ 4,960,100		\$ 4,960,100
North Plaza Replacement	14	4	Construction	\$ 4,976,200			\$ 4,976,200
Sundquist Annex	15	4	Construction		\$ 3,852,700		\$ 3,852,700
AA-5/Classrooms and Vocational Labs	16	4	Construction		\$ 3,872,413		\$ 3,872,413
Monte Cristo - Physics/Chemistry	17	4	Construction		\$ 7,352,000		\$ 7,352,000
Health Sciences and Wellness Center	18	4	Construction		\$ 4,928,802		\$ 4,928,802
T Building Renovation/Med Tech Center	19	4	Construction		\$ 6,058,500		\$ 6,058,500
Renovate Building D/Library & Media	20	4	Construction	\$ 13,418,700			\$ 13,418,700
Arts and Sciences Building Remodel	21	4	Construction	\$ 6,785,700			\$ 6,785,700
Minor Works Program	22	3	Design/Cnst.	\$ 20,040,317			\$ 20,040,317
Vocational/Classroom/Childcare	23	5	Construction		\$ 23,374,774		\$ 23,374,774
Classroom/Labs	24	5	Construction		\$ 10,932,400		\$ 10,932,400
Higher Education Center/Child Care	25	5	Construction		\$ 21,052,400		\$ 21,052,400
Humanities Complex	26	5	Construction		\$ 17,350,248		\$ 17,350,248
WSU Vancouver	27	5	Construction		\$ 18,009,800		\$ 18,009,800
Instructional Tech	28	5	Construction		\$ 17,236,600		\$ 17,236,600
Computer Labs	29	5	Construction		\$ 10,984,800		\$ 10,984,800
Informational Tech	30	5	Construction		\$ 14,531,900		\$ 14,531,900
LRC/Vocational	31	5	Design		\$ 1,796,206		\$ 1,796,206
Instructional Labs	32	5	Design		\$ 2,939,060		\$ 2,939,060
Science Building	33	5	Design		\$ 2,396,409		\$ 2,396,409

**2003 - 2005 CAPITAL BUDGET REQUEST
COMMUNITY AND TECHNICAL COLLEGES**

Appendix A

Project	Priority	Category	PHASE	ED. CONST.	G.O. BONDS	OTHER	Total
Science Building	34	5	Design		\$ 2,379,000		\$ 2,379,000
Laboratory Addition	35	5	Design		\$ 573,000		\$ 573,000
Replace 200/400/600 Building with New	36	4	Design		\$ 1,263,300		\$ 1,263,300
Replace Glacier/Pilchuck - Visual/Performing Arts	37	4	Design		\$ 1,311,700		\$ 1,311,700
East County Satellite - Phase 1	38	5	Predesign		\$ 300,000		\$ 300,000
Science and Technology Building	39	5	Predesign		\$ 90,000		\$ 90,000
Communication Arts & Allied Health	40	5	Predesign		\$ 150,000		\$ 150,000
Undergraduate Educational Center	41	5	Predesign		\$ 126,000		\$ 126,000
Center for the Arts, Technology, & Global Inter.	42	5	Predesign		\$ 159,900		\$ 159,900
Science and Technology Center	43	4	Predesign		\$ 190,000		\$ 190,000
Science Complex	44	5	Predesign		\$ 93,200		\$ 93,200
Replace MA, LW, K, & W - Science & Tech	45	4	Predesign		\$ 82,800		\$ 82,800
Multiple Building Replacement/Science	46	4	Design/Cnst.		\$ 5,256,600		\$ 5,256,600
Portable Replacement/ESL Continuing Ed	47	4	Design/Cnst.		\$ 4,882,200		\$ 4,882,200
Health Science Facility	48	4	Design/Cnst.		\$ 7,261,400		\$ 7,261,400
Broadway Edison First Floor/Student Services	49	4	Design/Cnst.		\$ 4,995,800		\$ 4,995,800
Montlake Terrace Hall Renovation	50	4	Design/Cnst.		\$ 8,827,030		\$ 8,827,030
East and West Building Renovation	51	4	Design/Cnst.		\$ 4,420,800		\$ 4,420,800
Renovate Building 7/ Multi-media, etc.	52	4	Design/Cnst.		\$ 4,988,000		\$ 4,988,000
Bldgs 124/124B/125 Pastry/Baking Program	53	4	Design/Cnst.		\$ 2,613,100		\$ 2,613,100
Science Building Replacement	54	4	Design/Cnst.		\$ 15,721,600		\$ 15,721,600
Welding/Auto Collision Building	55	4	Design/Cnst.		\$ 16,838,000		\$ 16,838,000
Replace FAB, IOB, VCA/Fine Arts Instruction	56	4	Design/Cnst.		\$ 18,473,314		\$ 18,473,314
Portable Replacement Project	57	4	Design		\$ 419,300		\$ 419,300
Roof Repair B	58	8	Design/Cnst.	\$ 9,950,000			\$ 9,950,000
Facility Repair B	59	8	Design/Cnst.	\$ 32,705,000			\$ 32,705,000
Site Repair B	60	8	Design/Cnst.	\$ 6,408,000			\$ 6,408,000
South Access	61	5	Construction		\$ 8,065,516		\$ 8,065,516
				\$94,283,917	\$325,380,561	\$37,000,000	\$456,664,478

Appendix B

HECB Capital Project Evaluation Model

HECB CAPITAL PROJECT EVALUATION MODEL

MASTER PLAN INITIATIVE	PROJECT TYPE	SCORE
<i>Promote the Efficient and Effective Use of Public Resources in Providing a Quality Learning Environment</i>	1 Emergency Repairs and Non-Deferrable Regulatory Compliance A. Funding proposals to respond to existing emergency repair and replacement needs. B. Line-item project requests or projects within an omnibus appropriation request whose funding is proposed in response to emergency conditions and/or a law or code that <u>requires</u> compliance within the 2001-2003 biennium to avoid (a) the closure of facilities essential for the delivery of programs and operations, or (b) the assessment of fines or other punitive actions.	100
	2 Critical Repairs and Emergency Contingency A. Contingency appropriation to address emergent life/safety needs in the 2003-2005 biennium. B. Omnibus appropriation requests whose deferral would jeopardize: <ol style="list-style-type: none"> 1. The ability to operate or occupy campus systems and space 2. Compliance with building occupancy codes 3. Program accreditation 	98
	3 Minor Improvements and Equipment Acquisitions Line-item projects less than \$7.5 million or those projects within an omnibus appropriation request which are needed to sustain an acceptable level of program quality or facility operations	96
	4 Major Replacements, Renovations, and Infrastructure Improvements Renovation, replacement or upgrade of existing space or infrastructure needed to sustain an acceptable level of program quality for current or projected enrollment	94
<i>Reaffirm the State's Commitment to Opportunity in Higher Education</i>	5 Expanded Capacity Projects Projects which support the enrollment goals of the 2000 master plan by creating additional capacity at locations:	84 – 92
	(A) Where existing enrollment is in excess of instructional space capacity	
	Construction Phase Projects	92
	Design Phase Projects	91
	Predesign Phase Projects	90
	(B) Serving regions/programs of near-term projected enrollment demand in excess of existing capacity	
	Construction Phase Projects	89
Design Phase Projects	88	
Predesign Phase Projects	87	
(C) Where additional capacity will accommodate longer-term regional/program growth/demand needs		
Construction Phase Projects	86	
Design Phase Projects	85	
Predesign Phase Projects	84	

HECB CAPITAL PROJECT EVALUATION MODEL

MASTER PLAN INITIATIVE	PROJECT TYPE	SCORE
<i>Support the Delivery of High Demand Programs</i>	6 Program Specific Improvements Improvements (renovation or new construction) needed to house high demand vocational/degree programs <ul style="list-style-type: none"> Construction Phase Projects Design Phase Projects Pre-design Phase Projects 	80-82 82 81 80
<i>Support Institutional Competitiveness</i>	7 General Improvements Improvements (renovation or new construction) or acquisitions needed to support "mission critical" space and infrastructure needs <ul style="list-style-type: none"> Construction Phase Projects Design Phase Projects Pre-design Phase Projects 	76-78 78 77 76
<i>Prioritize Expenditures Within Recognized Fiscal Constraints</i>	8 Deferrable Repairs and Improvements Line-item projects which could be deferred one biennium without jeopardizing: <ol style="list-style-type: none"> 1. The ability to operate or occupy campus systems and space 2. Compliance with building accessibility and occupancy codes 3. Program accreditation 4. An acceptable level of program quality or facility operations 5. Near or longer-term enrollment demand 	74

Appendix C

Summary of Budget Request by HECB Priority Categories and Institution

**2003-2005 HIGHER EDUCATION CAPITAL BUDGET REQUEST
BY HECB PRIORITY CATEGORIES AND INSTITUTION**

	Education Construction Fund			State Bonds			All Other Funds			Total		
	Request	Percent of		Request	Percent of		Request	Percent of		Request	Percent of	
	Amount	Category	Fund Total	Amount	Category	Fund Total	Amount	Category	Fund Total	Amount	Category	Fund Total
Critical Repairs & Emergency Contingency												
Community and Technical Colleges	\$0	0%	0%	\$13,500,000	16%	2%	\$35,000,000	71%	24%	\$48,500,000	36%	5%
Central Washington University	\$0	0%	0%	\$1,000,000	1%	0%	\$950,000	2%	1%	\$1,950,000	1%	0%
The Evergreen State College	\$0	0%	0%	\$0	0%	0%	\$3,100,000	6%	2%	\$3,100,000	2%	0%
University of Washington	\$0	0%	0%	\$64,461,164	74%	8%	\$10,000,000	20%	7%	\$74,461,164	55%	7%
Washington State University	\$0	0%	0%	\$6,000,000	7%	1%	\$0	0%	0%	\$6,000,000	4%	1%
Western Washington University	\$0	0%	0%	\$1,965,000	2%	0%	\$0	0%	0%	\$1,965,000	1%	0%
Category Total	\$0	0%	0%	\$86,926,164	100%	11%	\$49,050,000	100%	33%	\$135,976,164	100%	13%
Minor Improvements and Equipment Acquisition												
Community and Technical Colleges	\$20,040,317	100%	21%	\$0	0%	0%	\$0	0%	0%	\$20,040,317	16%	2%
Central Washington University	\$0	0%	0%	\$3,500,000	6%	0%	\$6,639,100	15%	4%	\$10,139,100	8%	1%
Eastern Washington University	\$0	0%	0%	\$17,026,663	29%	2%	\$5,341,325	12%	4%	\$22,367,988	18%	2%
The Evergreen State College	\$0	0%	0%	\$4,350,000	7%	1%	\$2,400,000	6%	2%	\$6,750,000	6%	1%
University of Washington	\$0	0%	0%	\$4,996,716	8%	1%	\$0	0%	0%	\$4,996,716	4%	0%
Washington State University	\$0	0%	0%	\$19,575,000	33%	3%	\$20,725,000	48%	14%	\$40,300,000	33%	4%
Western Washington University	\$0	0%	0%	\$9,346,000	16%	1%	\$8,050,000	19%	5%	\$17,396,000	14%	2%
Category Total	\$20,040,317	100%	21%	\$58,794,379	100%	8%	\$43,155,425	100%	29%	\$121,990,121	100%	12%
Major Replacements, Renovation and Infrastructure Improvements												
Community and Technical Colleges	\$25,180,600	100%	27%	\$157,339,348	42%	20%	\$2,000,000	4%	1%	\$184,519,948	41%	18%
Central Washington University	\$0	0%	0%	\$14,630,000	4%	2%	\$0	0%	0%	\$14,630,000	3%	1%
Eastern Washington University	\$0	0%	0%	\$27,316,647	7%	4%	\$5,000,000	9%	3%	\$32,316,647	7%	3%
The Evergreen State College	\$0	0%	0%	\$21,500,000	6%	3%	\$3,000,000	5%	2%	\$24,500,000	5%	2%
University of Washington	\$0	0%	0%	\$80,542,120	22%	10%	\$28,000,000	51%	19%	\$108,542,120	24%	11%
Washington State University	\$0	0%	0%	\$62,073,000	17%	8%	\$17,250,000	31%	12%	\$79,323,000	18%	8%
Western Washington University	\$0	0%	0%	\$8,005,060	2%	1%	\$0	0%	0%	\$8,005,060	2%	1%
Category Total	\$25,180,600	100%	27%	\$371,406,175	100%	48%	\$55,250,000	100%	37%	\$451,836,775	100%	45%

**2003-2005 HIGHER EDUCATION CAPITAL BUDGET REQUEST
BY HECB PRIORITY CATEGORIES AND INSTITUTION**

	Education Construction Fund			State Bonds			All Other Funds			Total		
	Request	Percent of		Request	Percent of		Request	Percent of		Request	Percent of	
	Amount	Category	Fund Total	Amount	Category	Fund Total	Amount	Category	Fund Total	Amount	Category	Fund Total
Expanded Capacity Projects												
Community and Technical Colleges	\$0	0%	0%	\$154,541,213	64%	20%	\$0	0%	0%	\$154,541,213	64%	15%
Central Washington University	\$0	0%	0%	\$26,600,000	11%	3%	\$0	0%	0%	\$26,600,000	11%	3%
The Evergreen State College	\$0	0%	0%	\$4,500,000	2%	1%	\$0	0%	0%	\$4,500,000	2%	0%
University of Washington	\$0	0%	0%	\$8,065,516	3%	1%	\$0	0%	0%	\$8,065,516	3%	1%
Washington State University	\$0	0%	0%	\$33,100,000	14%	4%	\$0	0%	0%	\$33,100,000	14%	3%
Western Washington University	\$0	0%	0%	\$15,616,329	6%	2%	\$0	0%	0%	\$15,616,329	6%	2%
Category Total	\$0	0%	0%	\$242,423,058	100%	31%	\$0	0%	0%	\$242,423,058	100%	24%
General Improvements												
Central Washington University	\$0	0%	0%	\$7,744,000	55%	1%	\$0	0%	0%	\$7,744,000	53%	1%
Washington State University	\$0	0%	0%	\$6,300,000	45%	1%	\$450,000	100%	0%	\$6,750,000	47%	1%
Category Total	\$0	0%	0%	\$14,044,000	100%	2%	\$450,000	100%	0%	\$14,494,000	100%	1%
Deferrable Repairs and Improvements												
Community and Technical Colleges	\$49,063,000	100%	52%	\$0	0%	0%	\$0	0%	0%	\$49,063,000	89%	5%
Central Washington University	\$0	0%	0%	\$1,400,000	26%	0%	\$0	0%	0%	\$1,400,000	3%	0%
Eastern Washington University	\$0	0%	0%	\$1,000,000	19%	0%	\$975,000	100%	1%	\$1,975,000	4%	0%
Washington State University	\$0	0%	0%	\$3,000,000	56%	0%	\$0	0%	0%	\$3,000,000	5%	0%
Category Total	\$49,063,000	100%	52%	\$5,400,000	100%	1%	\$975,000	100%	1%	\$55,438,000	100%	5%
Grand Total	\$94,283,917		100%	\$778,993,776		100%	\$148,880,425		100%	\$1,022,158,118		100%

Appendix D
Project Rankings

2003-2005 CAPITAL PROJECT REQUESTS BY HECB PRIORITY CATEGORIES

Appendix D

Institution/Project		HECB		2003-2005 REQUEST AMOUNT				CUMULATIVE TOTAL			
		Cat.	Score	ED. CONST.	G.O. BONDS	OTHER	Total	ED. CONST.	G.O. BONDS	OTHER	Total
CTC	Statewide		98		\$13,500,000		\$13,500,000	\$0	\$13,500,000	\$0	\$13,500,000
CTC	Statewide		98			\$7,265,677	\$7,265,677	\$0	\$13,500,000	\$7,265,677	\$20,765,677
CTC	Statewide		98			\$22,428,699	\$22,428,699	\$0	\$13,500,000	\$29,694,376	\$43,194,376
CTC	Statewide		98			\$5,305,624	\$5,305,624	\$0	\$13,500,000	\$35,000,000	\$48,500,000
CWU	Ellensburg		98			\$950,000	\$950,000	\$0	\$13,500,000	\$35,950,000	\$49,450,000
CWU	Ellensburg		98		\$1,000,000		\$1,000,000	\$0	\$14,500,000	\$35,950,000	\$50,450,000
TESC	Olympia		98			\$600,000	\$600,000	\$0	\$14,500,000	\$36,550,000	\$51,050,000
TESC	Olympia		98			\$2,500,000	\$2,500,000	\$0	\$14,500,000	\$39,050,000	\$53,550,000
UW	Seattle		98		\$50,000,000	\$10,000,000	\$60,000,000	\$0	\$64,500,000	\$49,050,000	\$113,550,000
UW	Seattle		98		\$14,461,164		\$14,461,164	\$0	\$78,961,164	\$49,050,000	\$128,011,164
WSU	Pullman		98		\$3,000,000		\$3,000,000	\$0	\$81,961,164	\$49,050,000	\$131,011,164
WSU	Pullman		98		\$3,000,000		\$3,000,000	\$0	\$84,961,164	\$49,050,000	\$134,011,164
WWU	Bellingham		98		\$1,965,000		\$1,965,000	\$0	\$86,926,164	\$49,050,000	\$135,976,164
CTC	Statewide		96	\$20,040,317			\$20,040,317	\$20,040,317	\$86,926,164	\$49,050,000	\$156,016,481
CWU	Ellensburg		96			\$1,163,500	\$1,163,500	\$20,040,317	\$86,926,164	\$50,213,500	\$157,179,981
CWU	Ellensburg		96			\$1,561,200	\$1,561,200	\$20,040,317	\$86,926,164	\$51,774,700	\$158,741,181
CWU	Ellensburg		96			\$3,914,400	\$3,914,400	\$20,040,317	\$86,926,164	\$55,689,100	\$162,655,581
CWU	Ellensburg		96		\$3,500,000		\$3,500,000	\$20,040,317	\$90,426,164	\$55,689,100	\$166,155,581
EWU	Cheney		96		\$4,205,000		\$4,205,000	\$20,040,317	\$94,631,164	\$55,689,100	\$170,360,581
EWU	Cheney		96		\$4,530,000		\$4,530,000	\$20,040,317	\$99,161,164	\$55,689,100	\$174,890,581
EWU	Cheney		96		\$1,112,000		\$1,112,000	\$20,040,317	\$100,273,164	\$55,689,100	\$176,002,581
EWU	Cheney		96		\$2,630,000		\$2,630,000	\$20,040,317	\$102,903,164	\$55,689,100	\$178,632,581
EWU	Cheney		96		\$1,549,663		\$1,549,663	\$20,040,317	\$104,452,827	\$55,689,100	\$180,182,244
EWU	Cheney		96		\$1,500,000	\$4,000,000	\$5,500,000	\$20,040,317	\$105,952,827	\$59,689,100	\$185,682,244
EWU	Cheney		96		\$1,000,000	\$691,325	\$1,691,325	\$20,040,317	\$106,952,827	\$60,380,425	\$187,373,569
EWU	Cheney		96		\$500,000	\$650,000	\$1,150,000	\$20,040,317	\$107,452,827	\$61,030,425	\$188,523,569
TESC	Olympia		96		\$4,350,000		\$4,350,000	\$20,040,317	\$111,802,827	\$61,030,425	\$192,873,569
TESC	Olympia		96			\$1,550,000	\$1,550,000	\$20,040,317	\$111,802,827	\$62,580,425	\$194,423,569
TESC	Olympia		96			\$850,000	\$850,000	\$20,040,317	\$111,802,827	\$63,430,425	\$195,273,569
UW	Seattle		96		\$4,996,716		\$4,996,716	\$20,040,317	\$116,799,543	\$63,430,425	\$200,270,285
WSU	Pullman		96		\$11,500,000		\$11,500,000	\$20,040,317	\$128,299,543	\$63,430,425	\$211,770,285
WSU	Pullman		96			\$7,500,000	\$7,500,000	\$20,040,317	\$128,299,543	\$70,930,425	\$219,270,285
WSU	Pullman		96		\$3,775,000	\$4,225,000	\$8,000,000	\$20,040,317	\$132,074,543	\$75,155,425	\$227,270,285
WSU	Pullman		96			\$8,000,000	\$8,000,000	\$20,040,317	\$132,074,543	\$83,155,425	\$235,270,285
WSU	Statewide		96			\$1,000,000	\$1,000,000	\$20,040,317	\$132,074,543	\$84,155,425	\$236,270,285
WSU	Vancouver		96		\$4,300,000		\$4,300,000	\$20,040,317	\$136,374,543	\$84,155,425	\$240,570,285
WWU	Bellingham		96		\$1,905,000		\$1,905,000	\$20,040,317	\$138,279,543	\$84,155,425	\$242,475,285
WWU	Bellingham		96		\$5,725,000		\$5,725,000	\$20,040,317	\$144,004,543	\$84,155,425	\$248,200,285
WWU	Bellingham		96		\$1,716,000	\$8,050,000	\$9,766,000	\$20,040,317	\$145,720,543	\$92,205,425	\$257,966,285

2003-2005 CAPITAL PROJECT REQUESTS BY HECB PRIORITY CATEGORIES

Appendix D

Institution/Project			HECB		2003-2005 REQUEST AMOUNT			CUMULATIVE TOTAL				
			Cat.	Score	ED. CONST.	G.O. BONDS	OTHER	Total	ED. CONST.	G.O. BONDS	OTHER	Total
CTC	Wenatchee	Portable Replacement	4	94			\$2,000,000	\$2,000,000	\$20,040,317	\$145,720,543	\$94,205,425	\$259,966,285
CTC	Olympic	Science and Technology Center	4	94		\$22,098,000	\$22,098,000	\$22,098,000	\$20,040,317	\$167,818,543	\$94,205,425	\$282,064,285
CTC	Clark	Stout Hall/Basic Education Program	4	94		\$4,049,889	\$4,049,889	\$4,049,889	\$20,040,317	\$171,868,432	\$94,205,425	\$286,114,174
CTC	Tacoma	Replace Portables/Fitness Lab	4	94		\$2,622,000	\$2,622,000	\$2,622,000	\$20,040,317	\$174,490,432	\$94,205,425	\$288,736,174
CTC	Yakima	Sunquist & Anthon Hall - Classroom Bldg	4	94		\$4,960,100	\$4,960,100	\$4,960,100	\$20,040,317	\$179,450,532	\$94,205,425	\$293,696,274
CTC	Seattle Central	North Plaza Replacement	4	94	\$4,976,200		\$4,976,200	\$4,976,200	\$25,016,517	\$179,450,532	\$94,205,425	\$298,672,474
CTC	Yakima Valley	Sundquist Annex	4	94		\$3,852,700	\$3,852,700	\$3,852,700	\$25,016,517	\$183,303,232	\$94,205,425	\$302,525,174
CTC	Clark	Classrooms and Vocational Labs	4	94		\$3,872,413	\$3,872,413	\$3,872,413	\$25,016,517	\$187,175,645	\$94,205,425	\$306,397,587
CTC	Everett	Monte Cristo - Physics/Chemistry	4	94		\$7,352,000	\$7,352,000	\$7,352,000	\$25,016,517	\$194,527,645	\$94,205,425	\$313,749,587
CTC	Pierce Ft Stlcm.	Health Sciences and Wellness Center	4	94		\$4,928,802	\$4,928,802	\$4,928,802	\$25,016,517	\$199,456,447	\$94,205,425	\$318,678,389
CTC	Columbia Basin	T Building Renovation/Med Tech Center	4	94		\$6,058,500	\$6,058,500	\$6,058,500	\$25,016,517	\$205,514,947	\$94,205,425	\$324,736,889
CTC	Bellevue	Renovate Building D/Library & Media	4	94	\$13,418,700		\$13,418,700	\$13,418,700	\$38,435,217	\$205,514,947	\$94,205,425	\$338,155,589
CTC	North Seattle	Arts and Sciences Building Remodel	4	94	\$6,785,700		\$6,785,700	\$6,785,700	\$45,220,917	\$205,514,947	\$94,205,425	\$344,941,289
CTC	Grays Harbor	Replace 200/400/600 Building with New	4	94		\$1,263,300	\$1,263,300	\$1,263,300	\$45,220,917	\$206,778,247	\$94,205,425	\$346,204,589
CTC	Everett	Replace Glacier/Pilchuck - Visual/Performing Arts	4	94		\$1,311,700	\$1,311,700	\$1,311,700	\$45,220,917	\$208,089,947	\$94,205,425	\$347,516,289
CTC	Pierce Ft Stlcm.	Science and Technology Center	4	94		\$190,000	\$190,000	\$190,000	\$45,220,917	\$208,279,947	\$94,205,425	\$347,706,289
CTC	Peninsula	Replace Science & Tech	4	94		\$82,800	\$82,800	\$82,800	\$45,220,917	\$208,362,747	\$94,205,425	\$347,789,089
CTC	Skagit Valley	Multiple Building Replacement/Science	4	94		\$5,256,600	\$5,256,600	\$5,256,600	\$45,220,917	\$213,619,347	\$94,205,425	\$353,045,689
CTC	South Seattle	Portable Replacement/ESL Continuing Ed	4	94		\$4,882,200	\$4,882,200	\$4,882,200	\$45,220,917	\$218,501,547	\$94,205,425	\$357,927,889
CTC	Walla Walla	Health Science Facility	4	94		\$7,261,400	\$7,261,400	\$7,261,400	\$45,220,917	\$225,762,947	\$94,205,425	\$365,189,289
CTC	Seattle Central	Broadway Edison First Floor/Student Services	4	94		\$4,995,800	\$4,995,800	\$4,995,800	\$45,220,917	\$230,758,747	\$94,205,425	\$370,185,089
CTC	Edmonds	Montlake Terrace Hall Renovation	4	94		\$8,827,030	\$8,827,030	\$8,827,030	\$45,220,917	\$239,585,777	\$94,205,425	\$379,012,119
CTC	Lake Washington	East and West Building Renovation	4	94		\$4,420,800	\$4,420,800	\$4,420,800	\$45,220,917	\$244,006,577	\$94,205,425	\$383,432,919
CTC	Tacoma	Renovate Building 7/ Multi-media, etc.	4	94		\$4,988,000	\$4,988,000	\$4,988,000	\$45,220,917	\$248,994,577	\$94,205,425	\$388,420,919
CTC	South Seattle	Bldgs 124/124B/125 Pastry/Baking Program	4	94		\$2,613,100	\$2,613,100	\$2,613,100	\$45,220,917	\$251,607,677	\$94,205,425	\$391,034,019
CTC	Spokane	Science Building Replacement	4	94		\$15,721,600	\$15,721,600	\$15,721,600	\$45,220,917	\$267,329,277	\$94,205,425	\$406,755,619
CTC	Bellingham	Welding/Auto Collision Building	4	94		\$16,838,000	\$16,838,000	\$16,838,000	\$45,220,917	\$284,167,277	\$94,205,425	\$423,593,619
CTC	Lower Columbia	Replace/Fine Arts Instruction	4	94		\$18,473,314	\$18,473,314	\$18,473,314	\$45,220,917	\$302,640,591	\$94,205,425	\$442,066,933
CTC	Renton	Portable Replacement Project	4	94		\$419,300	\$419,300	\$419,300	\$45,220,917	\$303,059,891	\$94,205,425	\$442,486,233
CWU	Ellensburg	Utility Upgrade	4	94		\$9,580,000	\$9,580,000	\$9,580,000	\$45,220,917	\$312,639,891	\$94,205,425	\$452,066,233
CWU	Ellensburg	Dean Hall	4	94		\$4,900,000	\$4,900,000	\$4,900,000	\$45,220,917	\$317,539,891	\$94,205,425	\$456,966,233
CWU	Ellensburg	Hogue Technology Renovation & Addition	4	94		\$150,000	\$150,000	\$150,000	\$45,220,917	\$317,689,891	\$94,205,425	\$457,116,233
EWU	Cheney	Computer & Engineering Sciences	4	94		\$19,000,482	\$19,000,482	\$19,000,482	\$45,220,917	\$336,690,373	\$99,205,425	\$481,116,715
EWU	Cheney	Senior Hall renovation - Phase I	4	94		\$6,816,165	\$6,816,165	\$6,816,165	\$45,220,917	\$343,506,538	\$99,205,425	\$487,932,880
EWU	Cheney	Campus Network	4	94		\$1,500,000	\$1,500,000	\$1,500,000	\$45,220,917	\$345,006,538	\$99,205,425	\$489,432,880
TESC	Olympia	Evans Bldg.	4	94		\$21,500,000	\$21,500,000	\$21,500,000	\$45,220,917	\$366,506,538	\$99,205,425	\$510,932,880
TESC	Olympia	Lab II 3rd Floor - Chemistry Labs Remodel	4	94				\$3,000,000	\$45,220,917	\$366,506,538	\$102,205,425	\$513,932,880
UW	Seattle	Johnson Hall Renovation	4	94		\$50,352,025	\$50,352,025	\$50,352,025	\$45,220,917	\$416,858,563	\$102,205,425	\$564,284,905
UW	Seattle	Campus Communications Infrastructure	4	94		\$5,000,000	\$5,000,000	\$5,000,000	\$45,220,917	\$421,858,563	\$117,205,425	\$584,284,905
UW	Seattle	Guggenheim Hall Renovation	4	94		\$3,312,000	\$3,312,000	\$3,312,000	\$45,220,917	\$425,170,563	\$117,205,425	\$587,596,905
UW	Seattle	Architecture Hall	4	94		\$2,634,000	\$2,634,000	\$2,634,000	\$45,220,917	\$427,804,563	\$117,205,425	\$590,230,905
UW	Seattle	Major Renovation	4	94		\$1,000,000	\$1,000,000	\$1,000,000	\$45,220,917	\$428,804,563	\$117,205,425	\$591,230,905
UW	Seattle	Facilities Adaptation for New Programs	4	94		\$18,244,095	\$18,244,095	\$18,244,095	\$45,220,917	\$447,048,658	\$130,205,425	\$622,475,000
WSU	Pullman	Johnson Hall Addition - Plant Bioscience	4	94		\$35,200,000	\$35,200,000	\$35,200,000	\$45,220,917	\$482,248,658	\$140,205,425	\$667,675,000
WSU	Pullman	Education Addition (Cleveland)	4	94		\$11,160,000	\$11,160,000	\$11,160,000	\$45,220,917	\$493,408,658	\$140,205,425	\$678,835,000

2003-2005 CAPITAL PROJECT REQUESTS BY HECB PRIORITY CATEGORIES

Appendix D

Institution/Project			HECB		2003-2005 REQUEST AMOUNT			CUMULATIVE TOTAL				
			Cat.	Score	ED. CONST.	G.O. BONDS	OTHER	Total	ED. CONST.	G.O. BONDS	OTHER	Total
WSU	Pullman	Biotechnology Life Sciences	4	94		\$3,500,000	\$3,000,000	\$6,500,000	\$45,220,917	\$496,908,658	\$143,205,425	\$685,335,000
WSU	Pullman	Biomedical Sciences	4	94			\$250,000	\$250,000	\$45,220,917	\$496,908,658	\$143,455,425	\$685,585,000
WSU	Pullman	Wastewater Reclamation Project	4	94		\$10,713,000		\$10,713,000	\$45,220,917	\$507,621,658	\$143,455,425	\$696,298,000
WSU	Pullman	WSUnet Infrastructure	4	94			\$4,000,000	\$4,000,000	\$45,220,917	\$507,621,658	\$147,455,425	\$700,298,000
WSU	Prosser	Proser - Multi-Purpose Building	4	94		\$1,500,000		\$1,500,000	\$45,220,917	\$509,121,658	\$147,455,425	\$701,798,000
WWU	Bellingham	Campus Infrastructure Development	4	94		\$2,819,000		\$2,819,000	\$45,220,917	\$511,940,658	\$147,455,425	\$704,617,000
WWU	Bellingham	Campus Roadway Development	4	94		\$329,000		\$329,000	\$45,220,917	\$512,269,658	\$147,455,425	\$704,946,000
WWU	Bellingham	Recreation/PE Fields II	4	94		\$4,482,060		\$4,482,060	\$45,220,917	\$516,751,718	\$147,455,425	\$709,428,060
WWU	Bellingham	Carver Gymnasium Renovation	4	94		\$375,000		\$375,000	\$45,220,917	\$517,126,718	\$147,455,425	\$709,803,060
CTC	Pierce Puyallup	Vocational/Classroom/Childcare	5	92		\$23,374,774		\$23,374,774	\$45,220,917	\$540,501,492	\$147,455,425	\$733,177,834
CTC	Whatcom	Classroom/Labs	5	92		\$10,932,400		\$10,932,400	\$45,220,917	\$551,433,892	\$147,455,425	\$744,110,234
CTC	Highline	Higher Education Center/Child Care	5	92		\$21,052,400		\$21,052,400	\$45,220,917	\$572,486,292	\$147,455,425	\$765,162,634
CTC	South Puget Sound	Humanities Complex	5	92		\$17,350,248		\$17,350,248	\$45,220,917	\$589,836,540	\$147,455,425	\$782,512,882
CTC	Clark	WSU Vancouver	5	92		\$18,009,800		\$18,009,800	\$45,220,917	\$607,846,340	\$147,455,425	\$800,522,682
CTC	South Seattle	Instructional Tech	5	92		\$17,236,600		\$17,236,600	\$45,220,917	\$625,082,940	\$147,455,425	\$817,759,282
CTC	Green River	Computer Labs	5	92		\$10,984,800		\$10,984,800	\$45,220,917	\$636,067,740	\$147,455,425	\$828,744,082
CTC	Tacoma	Informational Tech	5	92		\$14,531,900		\$14,531,900	\$45,220,917	\$650,599,640	\$147,455,425	\$843,275,982
TESC	Olympia	Seminar II Construction	5	92		\$4,500,000		\$4,500,000	\$45,220,917	\$655,099,640	\$147,455,425	\$847,775,982
WWU	Bellingham	Communications Facility	5	92		\$4,000,000		\$4,000,000	\$45,220,917	\$659,099,640	\$147,455,425	\$851,775,982
WWU	Shannon Point	Undergraduate Center	5	92		\$4,998,329		\$4,998,329	\$45,220,917	\$664,097,969	\$147,455,425	\$856,774,311
CTC	Bates South	LRC/Vocational	5	91		\$1,796,206		\$1,796,206	\$45,220,917	\$665,894,175	\$147,455,425	\$858,570,517
CTC	Edmonds	Instructional Labs	5	91		\$2,939,060		\$2,939,060	\$45,220,917	\$668,833,235	\$147,455,425	\$861,509,577
CTC	Green River	Science Building	5	91		\$2,396,409		\$2,396,409	\$45,220,917	\$671,229,644	\$147,455,425	\$863,905,986
CTC	Tacoma	Science Building	5	91		\$2,379,000		\$2,379,000	\$45,220,917	\$673,608,644	\$147,455,425	\$866,284,986
CTC	Walla Walla	Laboratory Addition	5	91		\$573,000		\$573,000	\$45,220,917	\$674,181,644	\$147,455,425	\$866,857,986
WWU	Bellingham	Academic Instructional Center	5	91		\$5,618,000		\$5,618,000	\$45,220,917	\$679,799,644	\$147,455,425	\$872,475,986
CTC	Clark	East County Satellite - Phase 1	5	90		\$300,000		\$300,000	\$45,220,917	\$680,099,644	\$147,455,425	\$872,775,986
CTC	Bellevue	Science and Technology Building	5	90		\$90,000		\$90,000	\$45,220,917	\$680,189,644	\$147,455,425	\$872,865,986
CTC	Pierce Puyallup	Communication Arts & Allied Health	5	90		\$150,000		\$150,000	\$45,220,917	\$680,339,644	\$147,455,425	\$873,015,986
CTC	Everett	Undergraduate Educational Center	5	90		\$126,000		\$126,000	\$45,220,917	\$680,465,644	\$147,455,425	\$873,141,986
CTC	Cascadia	Center for the Arts, Tech.	5	90		\$159,900		\$159,900	\$45,220,917	\$680,625,544	\$147,455,425	\$873,301,886
CTC	South Puget Sound	Science Complex	5	90		\$93,200		\$93,200	\$45,220,917	\$680,718,744	\$147,455,425	\$873,395,086
CTC	Pierce Ft Stlcm.	Campus Childcare Center	5	89		\$500,000		\$500,000	\$45,220,917	\$681,218,744	\$147,455,425	\$873,895,086
CTC	Bellevue	High Demand Technology Labs	5	89		\$500,000		\$500,000	\$45,220,917	\$681,718,744	\$147,455,425	\$874,395,086
CTC	Lake Washington	Redmond Campus Property Purchase	5	89		\$500,000		\$500,000	\$45,220,917	\$682,218,744	\$147,455,425	\$874,895,086
CTC	Peninsula	Community Resource Center w/ PASD	5	89		\$500,000		\$500,000	\$45,220,917	\$682,718,744	\$147,455,425	\$875,395,086
CWU	Ellensburg	Music Facility - Phase II	5	89		\$14,000,000		\$14,000,000	\$45,220,917	\$696,718,744	\$147,455,425	\$889,395,086
CWU	DesMoines	DesMoines (Highline) Facility	5	89		\$10,000,000		\$10,000,000	\$45,220,917	\$706,718,744	\$147,455,425	\$899,395,086

2003-2005 CAPITAL PROJECT REQUESTS BY HECB PRIORITY CATEGORIES

Appendix D

Institution/Project			HECB		2003-2005 REQUEST AMOUNT			CUMULATIVE TOTAL				
			Cat.	Score	ED. CONST.	G.O. BONDS	OTHER	Total	ED. CONST.	G.O. BONDS	OTHER	Total
CTC	Cascadia	South Access	5	87		\$8,065,516		\$8,065,516	\$45,220,917	\$714,784,260	\$147,455,425	\$907,460,602
UW	Bothell	UW Bothell/Cascadia Offramp	5	87		\$8,065,516		\$8,065,516	\$45,220,917	\$722,849,776	\$147,455,425	\$915,526,118
CWU	Wenatchee	Wenatchee Facility	5	86		\$1,500,000		\$1,500,000	\$45,220,917	\$724,349,776	\$147,455,425	\$917,026,118
CWU	Moses Lake	Moses Lake Facility	5	86		\$1,100,000		\$1,100,000	\$45,220,917	\$725,449,776	\$147,455,425	\$918,126,118
WSU	Spokane	Spokane - Academic Center Building	5	86		\$32,500,000		\$32,500,000	\$45,220,917	\$757,949,776	\$147,455,425	\$950,626,118
WSU	Spokane	Spokane - Riverpoint Nursing Building	5	84		\$600,000		\$600,000	\$45,220,917	\$758,549,776	\$147,455,425	\$951,226,118
WWU	Bellingham	Facility and Property Acquisition	5	84		\$1,000,000		\$1,000,000	\$45,220,917	\$759,549,776	\$147,455,425	\$952,226,118
CWU	Ellensburg	Peterson Hall HVAC Improvements	7	78		\$1,091,000		\$1,091,000	\$45,220,917	\$760,640,776	\$147,455,425	\$953,317,118
CWU	Ellensburg	Farrell Technology Upgrade	7	78		\$1,053,000		\$1,053,000	\$45,220,917	\$761,693,776	\$147,455,425	\$954,370,118
CWU	Ellensburg	Psychology Building Remodel & Tech. Upgrade	7	78		\$3,600,000		\$3,600,000	\$45,220,917	\$765,293,776	\$147,455,425	\$957,970,118
CWU	Ellensburg	Cogeneration	7	78		\$2,000,000		\$2,000,000	\$45,220,917	\$767,293,776	\$147,455,425	\$959,970,118
WSU	Pullman	Facilities Services Center	7	78		\$3,000,000		\$3,000,000	\$45,220,917	\$770,293,776	\$147,455,425	\$962,970,118
WSU	Pullman	Holland Library Renovation	7	77		\$3,300,000		\$3,300,000	\$45,220,917	\$773,593,776	\$147,455,425	\$966,270,118
WSU	Pullman	Hospital Renovation	7	76			\$300,000	\$300,000	\$45,220,917	\$773,593,776	\$147,755,425	\$966,570,118
WSU	TriCities	TriCities Bioproducts & Sciences Building	7	76			\$150,000	\$150,000	\$45,220,917	\$773,593,776	\$147,905,425	\$966,720,118
CTC	Statewide	Roof Repair B	8	74	\$9,950,000		\$9,950,000	\$55,170,917	\$773,593,776	\$147,905,425		\$976,670,118
CTC	Statewide	Facility Repair B	8	74	\$32,705,000		\$32,705,000	\$87,875,917	\$773,593,776	\$147,905,425		\$1,009,375,118
CTC	Statewide	Site Repair B	8	74	\$6,408,000		\$6,408,000	\$94,283,917	\$773,593,776	\$147,905,425		\$1,015,783,118
CWU	Ellensburg	East Entry/Wilson Creek	8	74		\$1,400,000		\$1,400,000	\$94,283,917	\$774,993,776	\$147,905,425	\$1,017,183,118
EWU	Cheney	Visitors Center	8	74			\$975,000	\$975,000	\$94,283,917	\$774,993,776	\$148,880,425	\$1,018,158,118
EWU	Cheney	Campus Security Systems	8	74		\$1,000,000		\$1,000,000	\$94,283,917	\$775,993,776	\$148,880,425	\$1,019,158,118
WSU	Pullman	Public Safety Building	8	74		\$3,000,000		\$3,000,000	\$94,283,917	\$778,993,776	\$148,880,425	\$1,022,158,118

RESOLUTION NO. 02-30

WHEREAS, The Washington Higher Education Coordinating Board (HECB) is a citizens board appointed by the Governor and confirmed by the Senate and is required to make budget recommendations for higher education funding to both the Governor and the Legislature; and

WHEREAS, Years of limited state funding support, across-the-board budget cuts, and assumptions of “efficiency increases” as a way to avoid funding enrollment growth have resulted in a drop of state per-student support of 9 percent at public four-year institutions since the 1991-1993 biennium, adjusted for inflation. The financial responsibility for college expenses is being continually shifted to students and their families, threatening the ability of those with limited means to participate; and

WHEREAS, The public higher education institutions enrolled more than 12,000 FTE students in excess of the level funded by the state in fiscal year 2002, and by 2010 an additional 29,000 FTE students above this state-supported level are expected to seek higher education; and

WHEREAS, The HECB finds that the state should re-commit to providing higher education opportunity to its residents as one of its primary duties because the value of higher education to students, their families, the economy, and the state community requires no less; that the state should commit to providing targeted enrollment opportunities to students who need training or re-training to succeed in the workforce and contribute to the state economy; that the state should reverse recent state funding trends and fully support the cost of providing a quality education to students at a price they can afford because students and their families deserve no less; that the state meet its responsibility to enable those students with limited means to participate in higher education through carefully designed and adequately funded financial aid programs; and

WHEREAS, The citizen governing boards of the public higher education institutions have submitted operating and capital budget requests for the 2003-05 biennium; and

WHEREAS, The Board finds that the vast majority of the capital projects requested by the institutions are needed for critical facility repairs, renovations and replacements and to alleviate existing space shortages and provide expanded capacity; and that traditional capital budget funding levels for higher education would be insufficient to fund all of the needed projects; and

WHEREAS, The Board has determined that establishing benchmarks for funding levels is an appropriate approach to establishing a total system-wide level of state investment in higher education;

THEREFORE, BE IT RESOLVED, That the Board endorses the operating and capital budget requests approved by the citizen governing boards of the public higher education institutions; and

THEREFORE, BE IT FURTHER RESOLVED That the Board recommends funding for public higher education be benchmarked to the average of comparable institutions; and

THEREFORE, BE IT FURTHER RESOLVED, That the Board has determined that reaching these goals for the operating budget in the 2003-05 biennium would be accomplished by adding 15,571 new student FTE enrollments, increasing per-student state funding at the level of comparable institutions, and achieving the current HECB financial aid goals. The total cost for these investments is \$1.1 billion in the 2003-05 biennium; and

THEREFORE, BE IT FURTHER RESOLVED, That the public institutions clearly explain to the Governor, Legislature and the HECB how these additional resources have been used, and the benefits that have accrued; and

THEREFORE, BE IT FURTHER RESOLVED, That the Board recommends that in the 2003-05 biennium the Governor and Legislature:

1. Provide additional state investments in the higher education operating budget to begin to accomplish the goals outlined by the HECB. The approximately \$1.1 billion estimated to meet this need in the 2003-05 biennium could be invested over four years, and
2. Provide a total of up to \$952 million in capital funding with resources from state General Obligation Bonds, local institutional capital project account funds, and reimbursable bonds to be financed from the Education Construction Fund.

Adopted:

October 29, 2002

Attest:

Bob Craves, Chair

Pat Stanford, Secretary

**Work Session on 2003-05 Higher Education
Budget Recommendations**
October 28, 2002



WASHINGTON
**HIGHER
EDUCATION**
COORDINATING BOARD

**Higher Education Coordinating Board
Fiscal Committee**

***Recommendations
for the 2003-05 Operating
and Capital Budgets***

HECB Fiscal Committee Recommendations for the 2003-05 Budget

**A vision of what higher education
could and should be in
Washington State.**

Presentation Outline

- The Case for a Major Investment in Higher Education Funding
- Overview
- Operating Budget Recommendations
- Capital Budget Recommendations
- Summary

Four reasons why we need a *major* state investment in higher education:

1. Significant over-enrollment
2. Demand will only increase
3. Erosion of state funding
4. Large tuition hikes shift burden to students and families

1. Significant over-enrollment

Washington's state colleges and universities are currently over-enrolled by 12,300 FTE.

Community and technical colleges	8,900
Four-year institutions	<u>3,400</u>
Total over-enrollment	12,300

2. Demand will only increase

- The size of the prime college-going population (17 to 29 year-olds) is expected to increase 15% during the next 8 years.
- By 2010, Washington state will need almost 29,000 additional state-funded enrollments (FTEs) *just to keep pace with population growth.*

3. Erosion of state funding

- Over the past decade, state support dropped by 9% per student at four-year institutions.
- Qualified students are turned away for lack of funding, resulting in growing waiting lists and class-closed lists.
- Overall, funding is well below the average of comparable institutions across the country.

4. Large tuition hikes shift burden to students and families

- Over last 10 years, tuition increased by 106% -- twice as fast as personal income, and four times faster than inflation.
- Students and families are paying an increasing share of educational costs.
- Student debt is increasing, and many students are being priced out of college.

Because of these four reasons . . .

- 1. Significant over-enrollment**
- 2. Demand increasing**
- 3. Erosion of state funding**
- 4. Large tuition hikes shifting burden to students and families**

. . . public higher education is facing a crisis.

*HECB Fiscal Committee Recommendations
for the 2003-05 Budget*

Overview

HECB is directed by law to . . .

- Identify the state's higher education goals and priorities; and
- Recommend operating and capital budget levels to meet the needs of the higher education system.

The Fiscal Committee has developed the following recommendations for the 2003-05 budget.

Beyond endorsement of institution budget requests. . .

- Citizen governing boards of institutions have presented budget requests specific to their individual needs.
- HECB endorses these requests.

The Board's recommendation establishes
a system-wide budget for higher education based on benchmarks.

Tuition and accountability . . .

The Board continues to believe the state should grant the public institutions the authority to set student tuition based on the principles of affordability and predictability.

The colleges and universities should be responsible for clearly explaining how additional funds (tuition and state support) are used, and the benefits that the state receives.

*HECB Fiscal Committee Recommendations
for the 2003-05 Budget*

**Operating Budget
Recommendations**

**2003-05 Operating Budget
RECOMMENDATIONS**

- 1. New enrollments**
- 2. Restore 'core funding'**
- 3. Financial aid**

1. New Enrollments **\$204 m**

RECOMMENDATION:

- new enrollments of **15,571** student FTEs
- at a cost of **\$204** million

New enrollments: 15,571 student FTEs

	<u>2-year</u>	<u>4-year</u>	<u>Total</u>
Maintain current service level	5,309	5,842	11,151
Targeted enrollments	3,420		3,420
Subtotal	8,729	5,842	14,571
HECB high-demand pool (both 2-year and 4-year)			1,000
Total New Enrollments			15,571

Cost per FTE for new enrollments:

- CTC general and apprenticeship enrollments set at western states' community college average.
- Four-year general enrollments set at peer average.
- CTC targeted and HECB high-demand enrollments set at their budget request level.

2. Restore Core Funding \$797 m

RECOMMENDATION:

Benchmark per student funding to the average of comparable institutions nationwide (peer average).

Restoring core funding will pay for salary increases, recruitment and retention, facility maintenance, student support and other expenses.

Comparisons to peer averages

State and local appropriations per FTE student

	<u>Institution</u>	<u>Peer Average</u>
UW – all campuses	\$9,223	\$12,148
WSU – all campuses	\$9,737	\$11,283
Comprehensives	\$5,350	\$ 6,254
Community & Tech College	\$4,123	\$ 5,296

Based on 2001 data

*HECB 2003-05 Operating Budget
Recommendations*

3. Financial aid **\$103 m**

Restore grants and scholarships eroded by past tuition increases and budget cuts	\$28 m
Keep up with future tuition hikes <i>(6.75% per year used for estimate)</i>	\$27 m
Achieve HECB goals for State Need Grants and Promise Scholarships	\$33 m
Provide financial aid for new enrollments	\$15 m
Total	\$103 m

*2003-05 Operating Budget
RECOMMENDATIONS*

OPERATING BUDGET SUMMARY

1. New Enrollments	\$204 m
2. Restore Core Funding	\$797 m
3. Financial Aid	\$103 m
2003-05 Operating Budget Total	\$1,104 m

*2003-05 Operating Budget
RECOMMENDATIONS*

Closing the gap . . .

- To achieve HECB goals and close the funding gap in 2003-05 requires \$1.1 billion.
- Recognizing the fiscal conditions facing the state in the next biennium, this investment can be made over the next two biennia.
- Phased investment would require \$659 million in 2003-05.

*HECB Fiscal Committee Recommendations
for the 2003-05 Budget*

**Capital Budget
Recommendations**

2003-05 Capital Budget

***RECOMMENDATION:* \$952 m**

- Public universities and colleges 2003-05 capital budget request is \$ 1.02 billion.
- Request is significantly higher than current 2001-03 capital budget of \$650 million.
- Used HECB methodology to prioritize and rank all capital project requests.

*2003-05 Capital Budget
RECOMMENDATIONS*

Preservation & expansion \$952 m

State bonds, local institution capital funds & Ed. Construction account reimbursable bonds

- Begin to reduce backlog of replacement, preservation, and renovation.
- Ease overcrowding and improve deficient facilities in the community and technical colleges.
- Complete major construction projects at four-year institutions.

*2003-05 Capital Budget
RECOMMENDATIONS*

Additional funding needed to achieve HECB capital recommendation ...

- Technical project review by OFM will reduce costs of some capital projects.
- Based on historical capital budget appropriations, additional funding will be needed to achieve HECB capital recommendations.
- HECB recommends using \$46m of the Education Construction Account to bond for an additional \$300 million for capital projects.

*HECB Fiscal Committee Recommendations
for the 2003-05 Budget*

SUMMARY

- **Public higher education is in crisis**
- **HECB recommends system-wide budget based on benchmarks**
- **2003-05 Operating Budget: \$1.1 b**
(\$659 m in 2003-05 if phased over four years)
- **2003-05 Capital Budget: \$952 m**