

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1769 E S HB	<b>Title:</b> Higher ed efficiencies
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## Estimated Cash Receipts

NONE

## Estimated Expenditures

NONE

## Estimated Capital Budget Impact

NONE

<b>Prepared by:</b> Jeanne Rynne, OFM	<b>Phone:</b> (360) 902-3068	<b>Date Published:</b> Final 3/19/2013
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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

FNPID 35173

FNS029 Multi Agency rollup

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1769 E S HB	<b>Title:</b> Higher ed efficiencies	<b>Agency:</b> 105-Office of Financial Management
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## Part I: Estimates

☒

No Fiscal Impact

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates,*

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/14/2013
Agency Preparation: Stephanie Lidren	Phone: 360-902-3056	Date: 03/14/2013
Agency Approval: Aaron Butcher	Phone: 360-902-0406	Date: 03/14/2013
OFM Review: Jeanne Rynne	Phone: (360) 902-3068	Date: 03/14/2013

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

The difference between ESHB 1769 and the original version of 1769 is that the section allowing higher education institutions to enter into alternative financing contracts (Certificates of Participation) without legislative approval has been deleted.

Section 1(5) raises the threshold for which predesigns are required for higher ed from \$5M to \$10M. In 2010 and 2012, only 3 higher education predesign studies fell between the range of \$5 million and \$10 million. This bill would decrease the workload for the OFM analyst review by 1-2 days, consequently there is no fiscal impact.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## Part III: Expenditure Detail

## Part IV: Capital Budget Impact

NONE

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1769 E S HB	<b>Title:</b> Higher ed efficiencies	<b>Agency:</b> 360-University of Washington
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## Part I: Estimates

☒ No Fiscal Impact

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates,*

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/14/2013
Agency Preparation: Mandy Gill	Phone: 206-616-8401	Date: 03/19/2013
Agency Approval: Kateri Schlessman	Phone: 206-543-3542	Date: 03/19/2013
OFM Review: Jeanne Rynne	Phone: (360) 902-3068	Date: 03/19/2013

Request # 2013-61-1

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

ESHB 1769 raises the minor works project threshold for higher education institutions from \$2 million to \$5 million. The predesign threshold for higher education institutions is raised from \$5 million to \$10 million.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

The bill would raise the threshold of minor capital projects to \$5M and increase the threshold for major projects that require predesign to \$10M. The UW anticipates that there will be some savings through the efficiencies with the implementation of this bill but that the savings in actual costs would be negligible. The number of predesigns sent to the state varies from year to year that would be impacted by this bill. On years with a greater number of predesigns that would be impacted by this bill, the savings could equate up to .5 FTE in project management and capital support. On other years, the savings would be minimal. For this reason, the UW assumes the cost savings would be negligible.

## Part III: Expenditure Detail

## Part IV: Capital Budget Impact

NONE

This bill will allow for submission of larger maintenance project where a formal predesign may not be needed. This will reduce time and money. A predesign process may take two years to get through the state system. This could include such things a major reroof, HVAC, minor seismic upgrades and other projects that a predesign work is accomplished but at a different content than currently required per the statute.

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1769 E S HB	<b>Title:</b> Higher ed efficiencies	<b>Agency:</b> 365-Washington State University
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## Part I: Estimates

☒ No Fiscal Impact

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates,*

Check applicable boxes and follow corresponding instructions:

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- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/14/2013
Agency Preparation: Kelley Westhoff	Phone: 5093350907	Date: 03/14/2013
Agency Approval: Kelley Westhoff	Phone: 5093350907	Date: 03/14/2013
OFM Review: Jeanne Rynne	Phone: (360) 902-3068	Date: 03/14/2013

Request # 2013-76-1

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 1 (5) exempts certain projects up to \$10M at higher education institutions from predesign requirements

Section 1(7) raises the threshold for certain minor works projects to \$5M.

While there is no direct fiscal impact due to these modifications, there is potential for cost savings if the pre-design threshold is raised, thereby expediting the overall construction process. For example, a \$10M construction project can typically be accomplished in less than a year. The current pre-design requirement for a one year construction project lengthens the project timeline to a minimum of 3 to 5 years. The cost of inflation has a significant impact on the project for the extra years. This legislation will shorten the timeframe to complete a \$10M project to an average of two years and avoid unnecessary inflationary costs.

Similarly, the minor capital projects ceiling has not kept pace with inflation. Raising the threshold to \$5M would bring minor work project parameters in line with current costs and address growing preservation backlogs.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## Part III: Expenditure Detail

## Part IV: Capital Budget Impact

NONE

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1769 E S HB	<b>Title:</b> Higher ed efficiencies	<b>Agency:</b> 370-Eastern Washington University
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## Part I: Estimates

☒ No Fiscal Impact

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Check applicable boxes and follow corresponding instructions:

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- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/14/2013
Agency Preparation: Tammy Felicijan	Phone: (509) 359-2480	Date: 03/14/2013
Agency Approval: Tammy Felicijan	Phone: (509) 359-2480	Date: 03/14/2013
OFM Review: Jeanne Rynne	Phone: (360) 902-3068	Date: 03/14/2013

Request # -1



## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

ESHB1769 regarding higher education efficiencies, categorizing minor works projects as those up to \$5 million, and major works projects as those over \$10 million, has no fiscal impact to Eastern Washington Univerisity, as related to costs. Potential savings opportunitites exist due this recategorization to higher dollar level descriptions.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## Part III: Expenditure Detail

## Part IV: Capital Budget Impact

NONE

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1769 E S HB	<b>Title:</b> Higher ed efficiencies	<b>Agency:</b> 375-Central Washington University
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## Part I: Estimates

☒ No Fiscal Impact

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/14/2013
Agency Preparation: Shelly Baird	Phone: (509) 963-2340	Date: 03/19/2013
Agency Approval: Shelly Baird	Phone: (509) 963-2340	Date: 03/19/2013
OFM Review: Jeanne Rynne	Phone: (360) 902-3068	Date: 03/19/2013

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Secn 1 (5) of this bill increases the threshold for completing a pre-design from five million to ten million dollars. We support this change and it will have a positive yet small impact due to the small number of pre-design documents created.

Secn 1 (7) Moving the threshold of minor works projects from two million to five million will increase the overall number of minor works projects however, we support this change as it will give CWU more flexibility in our overall minor works program.

The removal of language that would allow higher education institutions to enter into alternative financing contracts (certificates of participation) without legislative approval will have a minimal impact on CWU as we rarely use this type of financing.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## Part III: Expenditure Detail

## Part IV: Capital Budget Impact

NONE

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1769 E S HB	<b>Title:</b> Higher ed efficiencies	<b>Agency:</b> 376-The Evergreen State College
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## Part I: Estimates

☒ No Fiscal Impact

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/14/2013
Agency Preparation: Steve Trotter	Phone: (360) 867-6185	Date: 03/14/2013
Agency Approval: Steve Trotter	Phone: (360) 867-6185	Date: 03/14/2013
OFM Review: Jeanne Rynne	Phone: (360) 902-3068	Date: 03/14/2013

Request # TESC0040-1

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

2S HB 1769 would establish higher thresholds for the current mandatory OFM capital project reviews prior to the official approval of allotments for appropriated capital construction projects. By raising this threshold the largest fiscal impact will be on those medium projects between \$5-10 million where there will no longer be a requirement to do a pre-design that would result in a \$300,000 savings within those new limits. Evergreen currently does not have any projects within our current ten year plan that would benefit from this change. In addition 2S HB 1769 would also result in some time savings on minor works due to the limits being increased to \$5 million but we will still have to put the project in through BASS and it will still require effort to do this work so making the savings minor for Evergreen.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## Part III: Expenditure Detail

## Part IV: Capital Budget Impact

NONE

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1769 E S HB	<b>Title:</b> Higher ed efficiencies	<b>Agency:</b> 380-Western Washington University
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## Part I: Estimates

☐

No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates,*

Check applicable boxes and follow corresponding instructions:

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☒

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/14/2013
Agency Preparation: Kirk England	Phone: 360-650-4694	Date: 03/18/2013
Agency Approval: Linda Teater	Phone: 360-650-4762	Date: 03/18/2013
OFM Review: Jeanne Rynne	Phone: (360) 902-3068	Date: 03/19/2013

Request # -1

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

ES HB 1769 as written will have a positive fiscal impact on WWU. The bill provides WWU with added flexibility, and increases monetary thresholds for evaluation purposes on certain projects. It is anticipated that a level of cost savings will be generated as a result.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

NONE

## Part IV: Capital Budget Impact

NONE

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1769 E S HB	<b>Title:</b> Higher ed efficiencies	<b>Agency:</b> 699-Community/Technical College System
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## Part I: Estimates

☒

No Fiscal Impact

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Check applicable boxes and follow corresponding instructions:

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If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/14/2013
Agency Preparation: Arnel Blancas	Phone: 360-704-4384	Date: 03/14/2013
Agency Approval: Nick Lutes	Phone: (360) 704-1023	Date: 03/14/2013
OFM Review: Jeanne Rynne	Phone: (360) 902-3068	Date: 03/14/2013



## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 1 amends RCW 43.88.110 to exempt projects at institutions of higher education valued up to \$10 million, from the requirement that OFM review the projects at the predesign stage prior to approving allotments. The value for minor works projects is increased to \$5 million for institutions of higher education.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

This bill increases the predesign threshold from \$5 million to \$10 million for capital projects at institutions of higher education. This is not expected to impact CTCs because their major projects cost more than \$10 million.

The threshold for minors works at institutions of higher education is increased from \$2 million to \$5 million. Presently, CTC minor work subprojects are significantly less than the \$2 million threshold.

## Part III: Expenditure Detail

## Part IV: Capital Budget Impact

NONE

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*