Community/Technical College System

2025-27 Regular Budget Session

Maintenance Level - FT - Transfer M&O Funding to Op Budget

Agency Recommendation Summary

The community and technical college system devotes a portion of its' funding to routine maintenance and operations (M&O) activities, including expenditures to preserve or maintain grounds, buildings and equipment in orderly, safe, clean, and acceptable working conditions. Historically, funds for these activities were appropriated in the operating budget as general fund-state (GFS) but for the past several biennia, the funding has been appropriated from the CTC - Capital Projects Account (28B.50.360). Since these funds continue to be used to support expenditures of an operating nature, the Washington State Board for Community and Technical Colleges requests this funding be included in the operating budget.

Fiscal Summary

Fiscal Summary *Dollars in Thousands*	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
Staffing						
FTEs	80.0	80.0	**80.0**	80.0	80.0	**80.0**
Operating Expenditures						
Fund 001 - 1	$11,400	$11,400	**$22,800**	$11,400	$11,400	**$22,800**
Total Expenditures	**$11,400**	**$11,400**	**$22,800**	**$11,400**	**$11,400**	**$22,800**

Decision Package Description

The community and technical college system devotes a portion of its' funding for routine maintenance and operations (M&O) activities. Routine maintenance includes recurring day-to-day, periodic, or scheduled work required to preserve or maintain grounds, buildings, equipment. The operations component of educational facilities management deals primarily with daily, recurring services that are necessary to keep school buildings and grounds in orderly, safe, clean, and acceptable working conditions and also includes operational costs such as utility costs.

M&O funds had previously been appropriated as general fund-state (GFS) in the operating budget but in the 2003-05 biennium were switched to funds traditionally accounted for in the capital budget. For 2009-11 only, the funding was switched back to the operating budget. From 2011-13 to the present, $22.8 million of plant maintenance expenditures (M&O) are appropriated in the capital budget from the CTC - Capital Projects Account (28B.50.360).

These funds do not automatically carry forward in the Capital budget. An appropriate facilities maintenance and preservation program relies on stable and predictable funding that should be provided for in the operating budget. Since these funds continue to be used to support expenditures of an operating nature, the Washington State Board for Community and Technical Colleges requests this funding be included in the operating budget.

Another issue relates to the use of capital funds. With funding switched to a capital fund, and appropriated in the capital budget, amendments expanding the allowable use for these funds are routinely created in the back of the capital appropriations act. Each biennia, the statute is amended to include "routine facility maintenance and utility costs" as an allowable use of the funds. The amendments establish time limits on expanded use by identifying which biennia they are allowed. (e.g. "during the 2019-21 biennium…" or "during the 202123 biennium…"). The need for this language in the capital budget illustrates the operating nature of the work performed and supports the requests that funding should be included in the operating budget.

The State Board requests $11.4 million per year for the maintenance and operations (M&O) of existing permanent state-owned facilities. If this request is funded, the capital budget request for funding would not be needed.

Assumptions and Calculations

Expansion, Reduction, Elimination or Alteration of a current program or service:

Transferring existing levels of funding from capital to operating would not alter the current level of service.

Detailed Assumptions and Calculations:

This request is to transfer existing levels of funding from the capital to operating budget. The $11.4M per year in this request is based on the current level of funding in the capital budget.

Workforce Assumptions:

Transferring existing levels of funding from capital to operating would not change workforce levels, but the FTE's associated with this funding would appear in the operating budget.

Historical Funding:

This request is to transfer existing levels of funding from the capital to operating budget. The $11.4M per year in this request is based on the current level of funding in the capital budget.

Strategic and Performance Outcomes

Strategic Framework:

Consistent state funding for preventative maintenance and operations can reduce demand for major repairs and replacements. Having facilities that are operational and in good repair allows colleges to provide services to students in a consistent manner. Maintaining consistent levels of service to students contributes to the Governor's Results Washington Goal 1: **Worldclass education** -
Providing every Washingtonian a world-
class education that prepared him or her for a healthy and productive life, including success in job or career, in the community and as a lifelong learner.-

The updated 2020-30 Strategic Plan for the Washington State Board for Community and Technical Colleges begins with a vision: "Leading with racial equity, our colleges maximize student potential and transform lives within a culture of belonging that advances racial, social, and economic justice in service to our diverse communities."

Maintaining facilities so colleges can provide consistent services to students contributes towards several of the system's strategic focus areas:

1. Equitable student success: Increase access and retention among populations who can benefit the most from college and improve completion and transfer rates for all enrolled students across all types of programs and credentials.
2. Institutional financial health: Support colleges' financial sustainability and resiliency.

Performance Outcomes:

Funds provided in the Capital budget do not automatically carry forward. Predictable and stable M&O funding adds to the useful life of buildings and ultimately reduces capital costs to the state. As stated in a Joint Legislative Audit and Review Committee (JLARC) Higher Education Facilities and Preservation study, "Ongoing and preventative maintenance funding in institutional operating budgets can reduce demand for major repairs and replacements."

Equity Impacts

Community Outreach and Engagement:

N/A

Disproportional Impact Considerations:

N/A

Target Communities and Populations:

Community and technical colleges are the higher education sector serving the largest percentage of lowincome, historically underrepresented students of color and firstgeneration students. Predictable and stable M&O funding adds to the useful life of buildings and helps the college system serve these students.

Community Inputs and Incorporation:

N/A

Other Collateral Connections

HEAL Act Agencies Supplemental Questions

N/A

Puget Sound Recovery:

N/A

State Workforce Impacts:

This request has no direct state workforce impacts. Transferring existing levels of funding from capital to operating would not change workforce levels, but the FTE's associated with this funding would appear in the operating budget.

Intergovernmental:

Other governmental entities, such as tribal, regional, county or city governments, are not impacted in this maintenance level request.

Stakeholder Impacts:

This request does not impact non-governmental stakeholders.

State Facilities Impacts:

Ongoing and preventative maintenance funding in institutional operating budgets can reduce demand for major repairs and replacements.

Changes from Current Law:

This maintenance level request does not require changes to existing statutes.

Legal or Administrative Mandates:

This maintenance level request is not in response to any legal or administrative mandates.

Governor's Salmon Strategy:

N/A

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

No

Objects of Expenditure

Objects of Expenditure *Dollars in Thousands*	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
Obj. A	$4,756	$4,756	**$9,512**	$4,756	$4,756	**$9,512**
Obj. B	$1,560	$1,560	**$3,120**	$1,560	$1,560	**$3,120**
Obj. E	$5,084	$5,084	**$10,168**	$5,084	$5,084	**$10,168**

Agency Contact Information

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