

Capital Projects Advisory Review Board
Construction Cost Escalation Committee

Meeting Notes

September 24, 2025

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Location: via Zoom

Meeting ID: 817 7407 6801 **Passcode:** 829179

Committee Members:

(11 members, 6 = Quorum)

X	Olivia Yang, Owner Higher Education <i>Chair</i>	X	Karen Mooseker, Owner Sch. Districts/ Shelly Henderson (proxy)
	Theresa Bauccio-Teschlog, Owner Cities		Angela Peterson, Owner Ports
X	Robert Blain, Owner Counties	X	Irene Reyes, Association of small/diverse businesses
	Garett Buckingham, Owner Public Hospitals	X	Michael Transue, Specialty Contractors
X	Ron Endlich, Owner Transit	X	Justin Vena, General Contractors (SWR #1)
X	Erin Frasier, Labor		
	Bruce Hayashi, Architects		<i>Vacant, Small Works Roster Representative #2</i>

Other attendees:

- | | | | |
|---|-------------------------------------|---|---|
| X | Garrett Augustyn, MFA | | Brent Ludeman, National Electrical Contractors Assoc. |
| X | Talia Baker, CPARB Staff (DES) | X | Monique Martinez |
| | Nancy Deakins, CPARB Staff (DES) | | Brianna Morin, Assn. of WA Cities (AWC) |
| X | Steven Ellis, AWC | X | Jon Rose, MRSC |
| | Theresa Gonzales | | Brian Ross, Western WA University |
| | Chris Herman, WA Public Ports Assn. | X | Paul Schut, Energy NW |
| | Lisa Lagerstrom, MRSC | | Axel Swanson, WA Assoc. of Counties |
| X | Brynn Linville, MRSC | | |

Discussion Highlights:

Meeting started at 3:03 pm

Michael Transue moved to approve the agenda for the meeting. Robert Blain seconded the motion. The committee voted to unanimously approve the agenda.

Justin Vena moved to approve the meeting notes from the 9/10/2025 meeting. Michael Transue seconded the motion. The committee voted to unanimously approve the meeting minutes.

Discussion of Price Indexes

Chair Olivia Yang opened the discussion by confirming that the previous meeting's action item—to engage stakeholders—was completed. The owners reported back with a proposal to adopt Michael Tansue's recommendation to increase the Construction Cost Index (CCI) threshold from \$350,000 to \$500,000. They also supported Irene's proposal for a \$50,000 annual increase over the next five years, opting to forgo a pilot program or midpoint check-in for the sake of simplicity. The committee acknowledged the short legislative session and agreed that a streamlined approach would be most effective for the October presentation.

Michael Transue noted the favorable timing of this discussion given the Construction Industry Council is meeting later this week. He plans to present the proposed budget increase and schedule in that meeting and will gather feedback. He explained that while the previously discussed \$30,000 annual increase was based on retrospective data, the proposed \$50,000 increase reflects anticipated future needs. Over five years, this would represent a significant adjustment, up to \$750,000. If implemented, the committee will need to monitor bidder participation closely to ensure smaller businesses are not disadvantaged as the funding threshold increases.

Regarding apprenticeship utilization, Michael expressed general support for future encouragement or mandates. These will be considered but likely omitted from the proposed legislation. Given the short timeline, desire for simplicity, and uncertain revenue forecast, members agreed it may not be feasible to include such provisions in this legislation.

Erin Frasier of the Building and Construction Trades Council shared that her affiliates support the \$50,000 annual increase, though they prefer the \$30,000 figure due to its data-driven basis. She voiced concern that the amount pushes up against the threshold for apprenticeship utilization which may trigger workarounds to the

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requirement. Erin encouraged further analysis of who is using the small works roster to better understand its role in public works contracting.

Chair Yang invited comment from Justin Vena, who expressed agreement with the owners' proposal.

Chair Yang asked Jon Rose whether MRSC could track such data. Jon Rose confirmed that MRSC has the technical capability to monitor this information and will follow up on implementation details at a later time.

Chair Yang proposed holding one additional meeting to finalize the resolution. For transparency, she shared that she met with Axel Swanson (Washington Association of Counties) and Brianna Morin (Washington Association of Cities) to begin drafting a bill. At the next meeting, Michael will report back on the outcomes of his industry council presentation. Concurrently, the committee will circulate a legislative report and draft bill for review.

Assuming no issues with the draft bill, the committee intends to forward it to CPARB for review and approval, contingent on unanimous committee support.

Next Meeting

Michael noted that the committee will vote on approval of both the legislative report and proposed bill at the next meeting on October 8. If approved, the materials will be submitted to CPARB for review at its October 9th meeting.

Talia Baker will notify CPARB to expect the report and bill on October 8. The materials are expected to be concise and digestible within the short review timeframe. Chair Yang will collect any finalized report materials and Talia will distribute them to the committee when ready.

Michael confirmed that the October 8th meeting agenda will include meeting minutes and two action items: approval of the legislative report and approval of the draft bill.

The committee agreed to end the meeting early.

Michael Transue moved to adjourn the meeting. Erin Frasier seconded the motion. The committee was adjourned by unanimous vote.

Meeting ended at 3:16 p.m.

Action items for next meeting

1. Michael Transue will report on the outcomes of the Construction Industry Council
2. Jon Rose (MRSC) to explore tracking capabilities for bidder types and thresholds—follow-up discussion to be scheduled.
3. Committee members to draft and come to consensus a legislature report and bill to vote on at the next committee meeting on October 8. Materials are to be submitted to Chair Yang and will be distributed by Talia Baker.
4. Talia Baker to notify CPARB to expect the report and draft bill for review on October 8th, ahead of the CPARB meeting on October 9th.

Next Meeting Agenda – 3:00 p.m. on 10/08/2025

- Representatives to vote on approval of draft legislature report and bill.

Resources:

1. RCW [39.04.154](#)
2. RCW [39.04.152](#)
3. [2SSB 5268](#) 30 NEW SECTION. Sec. 16. Beginning in 2025 and every five years 31 thereafter, the capital projects advisory review board must review 32 construction cost escalation data for Washington state, readily 33 available in industry publications, roster utilization, and other 34 appropriate data and metrics, and make recommendations to the 35 appropriate committees of the legislature on adjustments to the 36 contracting thresholds described in section 15 of this act.

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4. Committee Homepage: <https://des.wa.gov/about/committees-groups/capital-projects-advisory-review-board-cparb/construction-cost-escalation-committee>

Purpose/Mission:

Per RCW [39.04.154](#) review construction cost escalation data and make recommendations to CPARB to make recommendations to the appropriate legislative committees on adjustments to the contracting thresholds for small works rosters per RCW [39.04.152](#).