

HOUSE BILL REPORT

HB 1504

As Reported By House Committee On:
Capital Budget

Title: An act relating to disposition of certain normal school fund revenues.

Brief Description: Changing the disposition of certain normal school fund revenues.

Sponsors: Representatives Wang, Jacobsen, Romero, Wolfe and Morris; by request of Evergreen State College.

Brief History:

Reported by House Committee on:
Capital Budget, February 24, 1993, DPS.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Wang, Chair; Ogden, Vice Chair; Sehlin, Ranking Minority Member; Brough; Eide; R. Fisher; Heavey; Jacobsen; Ludwig; Romero; Sommers; and Thomas.

Minority Report: Without recommendation. Signed by 2 members: Representatives Morton, Assistant Ranking Minority Member and Silver.

Staff: Bill Robinson (786-7140).

Background: The federal Enabling Act, creating the state of Washington, granted 100,000 acres of land to the state for the establishment and maintenance of state normal schools. The revenues received from the lease or sale of these lands and the income from the sale of timber and minerals from these lands are to be credited to the normal schools. Eastern Washington University, Central Washington University, and Western Washington University equally shared one-third of the revenues from the normal school trust lands as they evolved from the state normal schools and state college system to the current regional universities. The normal school revenues are used by the universities for capital purposes including payment of bonds used for the construction of buildings on the campuses.

In 1967, The Evergreen State College was created, and it and each of the other three state colleges were to receive a one-fourth share of the normal school trust revenues. However, at that time, Eastern, Central and Western had already pledged a large portion of their trust revenue to pay debt service on bonds used to finance construction of buildings. The reduced share of normal school income caused a hardship on the three institutions. To accommodate this hardship, the Legislature determined that so long as there remained outstanding bonds payable from the normal school trust, The Evergreen State College would not receive any normal school revenues.

Central Washington University's final payment on outstanding bonds payable from normal school trust is 1996, Eastern's is 1997, and Western's is 2002.

Summary of Substitute Bill: The Evergreen State College's one-fourth share of the normal school fund will be phased in over five biennia. Beginning in the 1995-97 biennium, Evergreen would receive 5 percent of the revenues not obligated to repay bonds and the balance would be shared equally by Eastern, Central, and Western Washington University. Evergreen's share would increase to 10 percent in 1997-99, 15 percent in 1999-2001, and 20 percent in 2001-03 and 25 percent on July 1, 2003 and thereafter.

The land granted to the state for normal schools are for the support of the regional universities and the Evergreen State College.

Substitute Bill Compared to Original Bill: Evergreen's share of the normal school revenues is phased in over five biennia rather than four biennia. Normal school land revenues are for the support of the regional universities and The Evergreen State College.

Fiscal Note: Not Requested.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: The Evergreen State College has a need for a source of cash revenues to finance minor repairs to college buildings rather than rely on state bonds for these repairs. The phase-in period and the intent section will allow Evergreen to benefit from the normal school trust without removing revenues available to the existing regional institutions.

Testimony Against: None.

Witnesses: Les Purce, The Evergreen State College (Pro);
and Mary Marcy, Central Washington University (Pro).