

SENATE BILL REPORT

SHB 1504

AS REPORTED BY COMMITTEE ON HIGHER EDUCATION, MARCH 29, 1993

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

SPONSORS: House Committee on Capital Budget (originally sponsored by Representatives Wang, Jacobsen, Romero, Wolfe and Morris; by request of Evergreen State College)

HOUSE COMMITTEE ON CAPITAL BUDGET

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Bauer, Chairman; Drew, Vice Chairman; Jesernig, Prince, Quigley, Sheldon, von Reichbauer, and West.

Staff: Jean Six (786-7423)

Hearing Dates: March 26, 1993

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:

The Evergreen State College's one-fourth share of the normal school fund is phased in over five biennia. Beginning in the 1995-97 biennium, Evergreen receives 5 percent of the revenues not obligated to repay bonds and the balance is shared equally by Eastern, Central, and Western Washington University. Evergreen's share increases 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.

Appropriation: none

Revenue: none

Fiscal Note: requested

TESTIMONY FOR:

The Evergreen State College needs the share of the normal school fund in order to have a source of revenue to finance minor repairs to the college. The phase-in period will allow The Evergreen State College to benefit without removing revenues available to the existing institutions.

TESTIMONY AGAINST: None

TESTIFIED: Representative Wang, prime sponsor; Mary Marcy, CWU (pro); Russ Lidman, TESC (pro)