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SENATE BILL 5908

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State of Washington

58th Legislature

2003 Regular Session

By Senators Zarelli, Rossi, Carlson, Kohl-Welles, Fairley, B. Sheldon, Keiser, McAuliffe, West and Winsley

Read first time 02/19/2003. Referred to Committee on Ways & Means.

1 AN ACT Relating to capital construction of and bonding for  
2 facilities for institutions of higher education; and adding a new  
3 chapter to Title 28B RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** SHORT TITLE. This act shall be known as the  
6 building Washington's future act.

7 NEW SECTION. **Sec. 2.** INTENT. The state's institutions of higher  
8 education are a vital component of the future economic prosperity of  
9 our state. In order to ensure that Washington continues to be able to  
10 provide a highly qualified work force that can attract businesses and  
11 support the economic vitality of the state, it is the intent of this  
12 bond act to provide new money for capital projects to help fulfill  
13 higher education needs across the state.

14 This new source of funding for the critical capital needs of the  
15 state's institutions of higher education furthers the mission of higher  
16 education and is intended to enhance the abilities of those  
17 institutions, over the next ten years, to fulfill their critical roles  
18 in maintaining and stimulating the state's economy.

1           It is the intent of the legislature that this new source of funding  
2 not displace funding levels for the capital and operating budgets of  
3 the institutions of higher education. It is instead intended that the  
4 new funding will allow the institutions, over the next five biennia, to  
5 use the current level of capital funding to provide for many of those  
6 urgent preservation, replacement, and maintenance needs that have been  
7 deferred due to lack of capital funding. This approach is designed to  
8 maintain or improve the current infrastructure of our institutions of  
9 higher education, and simultaneously to provide new instruction and  
10 research capacity to serve the increasing number of traditional  
11 college-aged students and those adults returning to college to update  
12 skills or retrain so that they can meet the demands of Washington's  
13 changing work force.

14           NEW SECTION.   **Sec. 3.**   DEFINITIONS.   The definitions in this  
15 section apply throughout this chapter unless the context clearly  
16 requires otherwise.

17           (1) "Bonds" means bonds, notes, commercial paper, certificates of  
18 indebtedness, or other evidences of indebtedness of the state issued  
19 under this chapter.

20           (2) "General capital facilities funding" means, in any particular  
21 biennium, the sum, exclusive of any Washington's future bonds, of: (a)  
22 All appropriations of proceeds of new bonds issued for capital  
23 facilities purposes; and (b) all new appropriations for the education  
24 construction account within the state's capital budget.  
25 Reappropriations shall not be included in this calculation.

26           (3) "Higher education capital facilities funding" means, in any  
27 particular biennium, the sum of all appropriations of general capital  
28 facilities funding as defined in subsection (2) of this section,  
29 including bond proceeds and nonbond proceeds, for capital projects or  
30 facilities for the institutions of higher education.

31           (4) "Washington's future bonds" means all or any portion of the  
32 general obligation bonds authorized in section 4 of this act.

33           (5) "Community and technical colleges" means the community colleges  
34 and technical colleges as defined by RCW 28B.50.030.

35           (6) "Governing board" means the board of regents of any state  
36 research university, the board of trustees of any regional university,

1 and, for any community college and technical college, the state board  
2 for community and technical colleges.

3 (7) "Regional universities" means Western Washington University at  
4 Bellingham, Central Washington University at Ellensburg, Eastern  
5 Washington University at Cheney, and The Evergreen State College.

6 (8) "State research universities" means the University of  
7 Washington and Washington State University.

8 NEW SECTION. **Sec. 4.** WASHINGTON'S FUTURE BONDS AUTHORIZED. (1)

9 For the purpose of providing needed capital improvements consisting of  
10 the predesign, design, acquisition, construction, modification,  
11 renovation, expansion, equipping, and other improvement of state  
12 buildings and facilities for the institutions of higher education, the  
13 state finance committee is authorized, under the conditions in section  
14 6 of this act, to issue general obligation bonds of the state of  
15 Washington in the sum of one billion seven hundred seventeen million  
16 five hundred thousand dollars, or so much thereof as may be required,  
17 to finance all or a part of the cost of these projects and all costs  
18 incidental thereto. The bonds issued under the authority of this  
19 section shall be known as Washington's future bonds.

20 (2) Bonds authorized in this section shall be sold in the manner,  
21 at the time or times, in amounts, and at such prices as the state  
22 finance committee shall determine.

23 (3) No bonds authorized in this section may be offered for sale  
24 without prior legislative appropriation of the net proceeds of the sale  
25 of the bonds into one or more of the subaccounts created by this  
26 chapter for the fulfillment of capital needs of the institutions of  
27 higher education.

28 NEW SECTION. **Sec. 5.** BOND ISSUANCE--INTENT. It is the intent of

29 the legislature that the proceeds of new bonds authorized in this  
30 chapter will be appropriated in phases over five biennia, beginning  
31 with the 2003-2005 biennium, to provide additional funding for capital  
32 projects and facilities of the institutions of higher education above  
33 historical levels of funding. The legislature further intends that, in  
34 each such biennium, and in addition to the Washington's future bonds,  
35 the higher education capital facilities funding will be at least equal  
36 to forty-eight percent of the general capital facilities funding, that

1 fifty-one percent of the higher education capital facilities funding  
2 will be allocated to the state research universities or the regional  
3 universities, and that forty-nine percent will be allocated to the  
4 state board for community and technical colleges.

5 This chapter is not intended to limit the legislature's ability to  
6 appropriate bond proceeds if the full amount authorized in this chapter  
7 has not been appropriated after five biennia, and the authorization to  
8 issue bonds contained in this chapter does not expire until the full  
9 authorization has been appropriated and issued.

10 NEW SECTION. **Sec. 6.** TERMS AND COVENANTS. (1) The state finance  
11 committee is authorized to prescribe the form, terms, conditions, and  
12 covenants of the bonds provided for in this chapter, the time or times  
13 of sale of all or any portion of them, and the conditions and manner of  
14 their sale and issuance.

15 (2) Bonds issued under this chapter shall state that they are a  
16 general obligation of the state of Washington, shall pledge the full  
17 faith and credit of the state to the payment of the principal thereof  
18 and the interest thereon, and shall contain an unconditional promise to  
19 pay the principal and interest as the same shall become due.

20 NEW SECTION. **Sec. 7.** PROCEEDS. (1) The proceeds from the sale of  
21 the bonds authorized in section 4 of this act shall be deposited in the  
22 higher education construction account in the state treasury created in  
23 RCW 28B.14D.040. Upon future legislative appropriation, the proceeds  
24 shall be transferred to four subaccounts hereby created in the higher  
25 education construction account, as follows:

26 (a) Not to exceed seven hundred seventy-two million seven hundred  
27 thousand dollars to the community and technical colleges construction  
28 subaccount;

29 (b) Not to exceed three hundred nineteen million dollars to the  
30 state research university branch campuses construction subaccount;

31 (c) Not to exceed two hundred three million dollars to the regional  
32 universities construction subaccount; and

33 (d) Not to exceed four hundred twenty-two million five hundred  
34 thousand dollars to the state research universities construction  
35 subaccount.

1 (2) Proceeds in excess of any subaccount's total allocation may be  
2 transferred to the appropriate subaccount on a project-by-project  
3 basis, as long as each subaccount's initial allocation of the total  
4 bond authorization is preserved.

5 (3) The proceeds shall be used exclusively for the purposes in  
6 section 4 of this act and for the payment of the expenses incurred in  
7 connection with the sale and issuance of the bonds.

8 NEW SECTION. **Sec. 8.** PROJECTS--DESCRIPTION. (1)(a) The proceeds  
9 deposited in the community and technical colleges subaccount shall be  
10 applied, subject to legislative appropriation, to community and  
11 technical college projects, including but not limited to the predesign,  
12 design, acquisition, construction, modification, renovation, expansion,  
13 replacement, equipping, or other improvement of any of the following  
14 projects in the 2003-2005 biennium. However, the state board for  
15 community and technical colleges may recommend future biennium projects  
16 to include predesign, design, acquisition, construction, modification,  
17 renovation, expansion, replacement, and equipping, or improvements:

18 (i) At Bellingham Technical College, a welding and auto collision  
19 program facility;

20 (ii) At Skagit Valley College, a science facility;

21 (iii) At Edmonds Community College, basic skills instructional labs  
22 and computer labs;

23 (iv) At Edmonds Community College, classroom and office space at  
24 Mountlake Terrace Hall;

25 (v) At Everett Community College, visual and performing arts  
26 facilities;

27 (vi) At Everett Community College, an undergraduate educational  
28 center that may include classrooms and/or office space;

29 (vii) At Grays Harbor College, an instructional facility that may  
30 include classrooms, science labs, and/or computer labs;

31 (viii) At South Puget Sound Community College, a science facility;

32 (ix) At Peninsula Community College, a science and technology  
33 facility;

34 (x) At Bellevue Community College, a science and technology  
35 facility;

36 (xi) At Cascadia Community College, a center for the arts,  
37 technology, and global interaction;

1 (xii) At Cascadia Community College, south access to state route  
2 522;

3 (xiii) At Green River Community College, a science facility;

4 (xiv) At Highline Community College, an allied health facility;

5 (xv) At Lake Washington Technical College, the East and West  
6 facilities;

7 (xvi) At Renton Technical College, facilities for the auto  
8 technology and boilermaker training program;

9 (xvii) At Seattle Central Community College, facilities for the  
10 consolidation of student services and other administrative offices;

11 (xviii) At Seattle Central Community College, a learning resource  
12 center;

13 (xix) At South Seattle Community College, pastry and baking program  
14 facilities;

15 (xx) At South Seattle Community College, facilities for basic  
16 skills instruction and continuing education;

17 (xxi) At Spokane Community College, a science facility;

18 (xxii) At Spokane Falls Community College, general classroom  
19 facilities;

20 (xxiii) At Bates Technical College, a south campus learning  
21 resource center and vocational training facility;

22 (xxiv) At Pierce Fort Steilacoom Community College, a science and  
23 technology facility;

24 (xxv) At Pierce Puyallup Community College, an allied health and  
25 communications arts facility;

26 (xxvi) At Tacoma Community College, a multimedia facility;

27 (xxvii) At Tacoma Community College, a science facility;

28 (xxviii) At Walla Walla Community College, basic skills  
29 instructional labs and computer labs;

30 (xxix) At Walla Walla Community College, a health science facility;

31 (xxx) At Clark College, the east county satellite, including  
32 classrooms, science, and computer labs;

33 (xxxii) At Lower Columbia College, an allied health facility;

34 (xxxiii) At Lower Columbia College, facilities for fine arts  
35 instruction; and

36 (xxxiiii) At Wenatchee Community College, a higher education center.

37 (b) The proceeds deposited in the state research university branch  
38 campuses construction subaccount shall be applied, subject to

1 legislative appropriation, to state research university branch campus  
2 projects, including but not limited to the predesign, design,  
3 acquisition, construction, modification, renovation, expansion,  
4 replacement, equipping, or other improvement of:

5 (i) The University of Washington Bothell branch campus;  
6 (ii) The University of Washington Tacoma branch campus;  
7 (iii) Additional University of Washington branch campus expansions  
8 at either Bothell or Tacoma;

9 (iv) Facilities for nursing at the Washington State University  
10 Spokane Riverpoint campus;

11 (v) The Washington State University Prosser research facility;

12 (vi) A Washington State University Tri-Cities bioproducts and  
13 sciences facility;

14 (vii) A Washington State University Tri-Cities Columbia Basin  
15 College campus classroom facility;

16 (viii) A Washington State University Vancouver business and  
17 education facility; and

18 (ix) A Washington State University Vancouver student services  
19 center.

20 (c) The proceeds deposited in the regional universities  
21 construction subaccount shall be applied, subject to legislative  
22 appropriation, to regional university projects, including but not  
23 limited to the predesign, design, acquisition, construction,  
24 modification, renovation, expansion, replacement, equipping, or other  
25 improvement of:

26 (i) At Western Washington University, an academic instruction  
27 center;

28 (ii) At The Evergreen State College, the Daniel J. Evans academic  
29 library facility;

30 (iii) At Central Washington University, the Des Moines Center at  
31 Highline Community College;

32 (iv) At Eastern Washington University, Cheney Hall;

33 (v) At Eastern Washington University, a senior hall;

34 (vi) At Western Washington University, Hargreaves Hall;

35 (vii) At Eastern Washington University, Showalter Hall;

36 (viii) At Central Washington University, the Wenatchee Center at  
37 Wenatchee Valley Community College;

38 (ix) At Central Washington University, Dean Hall;

1 (x) At Central Washington University, the Hogue technology  
2 facility; and

3 (xi) At Central Washington University, a music facility.

4 (d) The proceeds deposited in the state research universities  
5 construction subaccount shall be applied, subject to legislative  
6 appropriation, to state research university projects, including but not  
7 limited to the predesign, design, acquisition, construction,  
8 modification, renovation, expansion, replacement, equipping, or other  
9 improvement of:

10 (i) At the University of Washington, Gould Hall;

11 (ii) At the University of Washington, a life sciences facility;

12 (iii) At the University of Washington, three to six facilities that  
13 will provide new capacity for instruction and research programs where  
14 a portion of the capital costs of the projects will be provided by  
15 private or federal funds;

16 (iv) At the Washington State University, a biotechnology and life  
17 sciences facility;

18 (v) At the Washington State University, various infrastructure  
19 improvements;

20 (vi) At the Washington State University, the Johnson Hall plant  
21 biosciences facility; and

22 (vii) At the Washington State University, a biomedical sciences  
23 facility.

24 (2) Each biennium, the governing board of each institution of  
25 higher education that desires to receive proceeds of bonds issued under  
26 this chapter shall submit to the office of financial management, as  
27 part of its capital budget submission, a request for funding consistent  
28 with the office of financial management's budget instructions.

29 (3)(a) An institution receiving an allocation of bond proceeds may  
30 use those funds only for a project for which the institution submitted  
31 a funding request under this section and for which the funds have been  
32 appropriated. However, if the governing board of an institution of  
33 higher education or the state board for community and technical  
34 colleges determines that a revision of its project list is necessary in  
35 order to meet institutional priorities or to respond to changing  
36 circumstances, the board may submit a request for such change or  
37 changes to the office of financial management consistent with  
38 subsection (2) of this section.



1 (b) If supplemental funds from any public or private source become  
2 available to pay for a portion of a project described in this section,  
3 the governing board of the institution may include in its capital  
4 budget a request for bond proceeds for the expansion of the project, if  
5 necessary, or for an alternative project or projects. The amount of  
6 such a request shall not exceed the amount replaced by supplemental  
7 funds.

8 NEW SECTION. **Sec. 9.** PAYMENT PROCEDURES. (1) The debt-limit  
9 general fund bond retirement account shall be used for the payment of  
10 the principal of and interest on the bonds authorized in this chapter.

11 (2) The state finance committee shall, on or before June 30th of  
12 each year, certify to the state treasurer the amount needed in the  
13 ensuing twelve months to meet the bond retirement and interest  
14 requirements on the bonds authorized in this chapter.

15 (3) On each date on which any interest or principal and interest  
16 payment is due on bonds issued under this chapter, the state treasurer  
17 shall withdraw from any general state revenues received in the state  
18 treasury and deposit in the debt-limit general fund bond retirement  
19 account an amount equal to the amount certified by the state finance  
20 committee to be due on the payment date.

21 (4) The owner and holder of each of the bonds or the trustee for  
22 the owner and holder of any of the bonds may by mandamus or other  
23 appropriate proceeding require the transfer and payment of funds as  
24 directed in this section.

25 NEW SECTION. **Sec. 10.** BONDS--LEGAL INVESTMENT FOR PUBLIC FUNDS.  
26 The bonds authorized by this chapter shall constitute a legal  
27 investment for all state funds or for funds under state control and all  
28 funds of municipal corporations.

29 NEW SECTION. **Sec. 11.** ADDITIONAL METHODS OF PAYING DEBT SERVICE  
30 AUTHORIZED. The legislature may provide additional means for raising  
31 moneys for the payment of the principal of and interest on the bonds  
32 authorized under this chapter, and section 9 of this act shall not be  
33 deemed to provide an exclusive method for payment.

1        NEW SECTION.    **Sec. 12.**    CHAPTER SUPPLEMENTAL.        This chapter  
2 provides a complete, additional, and alternative method for  
3 accomplishing the purposes of this chapter and is supplemental and  
4 additional to powers conferred by other laws. The issuance of bonds  
5 and refunding bonds under this chapter need not comply with the  
6 requirements of any other law applicable to the issuance of bonds. The  
7 issuance of bonds under this chapter shall not be deemed to be the only  
8 method to fund the projects described in section 8 of this act.

9        NEW SECTION.    **Sec. 13.**    CAPTIONS NOT LAW.        Captions used in this  
10 act are not any part of the law.

11        NEW SECTION.    **Sec. 14.**    Sections 1 through 13 of this act  
12 constitute a new chapter in Title 28B RCW.

13        NEW SECTION.    **Sec. 15.**    If any provision of this act or its  
14 application to any person or circumstance is held invalid, the  
15 remainder of the act or the application of the provision to other  
16 persons or circumstances is not affected.

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