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HOUSE BILL 2637

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State of Washington

54th Legislature

1996 Regular Session

By Representatives D. Sommers, Sheahan, Jacobsen, Dellwo, Schoesler, Carlson and Grant; by request of Joint Center for Higher Education

Read first time 01/16/96. Referred to Committee on Higher Education.

1 AN ACT Relating to the joint center for higher education; amending  
2 RCW 28B.25.020, 28B.25.030, and 28B.10.060; adding new sections to  
3 chapter 28B.25 RCW; and repealing RCW 28B.25.080.

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

5 **Sec. 1.** RCW 28B.25.020 and 1991 c 205 s 3 are each amended to read  
6 as follows:

7 (1) The joint center shall have authority over ~~((all))~~ fiscal  
8 activities related to the land and facilities known as the ~~((Spokane))~~  
9 Riverpoint higher education park subject to the approval of the higher  
10 education coordinating board pursuant to RCW 28B.80.330 through  
11 28B.80.350.

12 (2) The joint center for higher education shall coordinate ~~((all~~  
13 ~~baccalaureate and graduate degree programs, and all other courses and~~  
14 ~~programs offered in the Spokane area by Washington State University and~~  
15 ~~by Eastern Washington University outside of its Cheney campus. The~~  
16 ~~joint center for higher education shall not coordinate the~~  
17 ~~intercollegiate center for nursing))~~ new degree programs proposed for  
18 the Spokane area by Washington State University and by Eastern

1 Washington University outside of the Cheney campus, and may mediate  
2 disagreements among institutions about degree programs or courses.

3 (3) The joint center for higher education shall coordinate the  
4 following higher education activities in the Spokane area outside of  
5 the Eastern Washington University Cheney campus:

6 (~~(a)~~) (~~Articulation between lower division and upper division~~  
7 ~~programs;~~

8 (~~(b)~~) The participation of Washington State University and Eastern  
9 Washington University in joint academic degree programs with Gonzaga  
10 University and Whitworth College and in joint academic degree programs  
11 with each other;

12 (~~(c)~~) (~~b~~) All contractual negotiations between public and  
13 independent colleges and universities; and

14 (~~(d)~~) (~~c~~) Programs offered through the intercollegiate research  
15 and technology institute created by RCW 28B.10.060.

16 (4) The joint center for higher education shall not coordinate the  
17 intercollegiate center for nursing.

18 (~~(4)~~) (~~5~~) The participating institutions in the joint center for  
19 higher education shall maintain jurisdiction over the content of the  
20 course offerings and the entitlement to degrees. However, before any  
21 new degree is authorized under this section it shall be subject to  
22 review and approval of the higher education coordinating board.

23 (~~(5)~~) (~~6~~) The joint center shall develop a master plan for the  
24 (~~Spokane~~) Riverpoint higher education park. The plan shall be  
25 developed in cooperation with the participating institutions and  
26 submitted to the higher education coordinating board, legislature, and  
27 office of financial management by December 31st of the second year of  
28 each biennium.

29 (~~(6)~~) (~~7~~) The joint center shall adopt rules as necessary to  
30 implement this chapter.

31 (~~(7)~~) (~~8~~) Title to or all interest in real estate and other  
32 assets, including but not limited to assignable contracts, cash,  
33 equipment, buildings, facilities, and appurtenances thereto held as of  
34 July 1, 1991, shall vest in the joint center for higher education.

35 **Sec. 2.** RCW 28B.25.030 and 1991 c 205 s 4 are each amended to read  
36 as follows:

37 (1) The joint center for higher education shall be governed by a  
38 board consisting of the following twelve voting members:

1 (a) One member of the Eastern Washington University board of  
2 trustees;

3 (b) One member of the Washington State University board of regents;

4 (c) One member of the board of trustees of the Spokane community  
5 college district;

6 (d) Six citizens residing in Spokane county. Of the six citizen  
7 members, no more than two may be regents or trustees of Eastern  
8 Washington University, Washington State University, or the Spokane  
9 community college district; and

10 (e) The presidents of Washington State University and Eastern  
11 Washington University, and the chief executive officer of the Spokane  
12 community college district shall serve as ex officio members of the  
13 board.

14 (2) The executive director of the higher education coordinating  
15 board, the president or chancellor of Gonzaga University, as designated  
16 by the board of trustees of the university, and the president of  
17 Whitworth College shall serve as nonvoting ex officio members of the  
18 board.

19 (3) Each of the twelve voting members shall have one vote. The  
20 voting members shall select a chairperson from among the nine appointed  
21 members. A majority of the twelve voting members shall constitute a  
22 quorum for conducting business.

23 NEW SECTION. **Sec. 3.** (1) The board may purchase services  
24 customarily and historically provided by employees in classified  
25 service under chapter 41.06 RCW by contracting with individuals or  
26 business entities, without the necessity of showing that classified  
27 employees could not provide these services, if the purchase would not  
28 result in either increased expenditures of public funds for the  
29 contracted service or the termination of state-funded permanent  
30 classified employees employed at the joint center for higher education.  
31 A contract to purchase services shall provide that the contractor will  
32 pay to its employees performing the contract work, wages that are  
33 similar to those generally paid for such work in Spokane county and  
34 will make available health benefits that are similar to, but in any  
35 case no less than, the benefits provided for basic health care services  
36 under chapter 70.47 RCW.

1 (2) This section does not apply to and does not in any manner limit  
2 the purchase of services or any contracting for services that was  
3 authorized by law before the effective date of this section.

4 NEW SECTION. **Sec. 4.** The board may receive and expend funds  
5 derived from rents of properties located on land owned by the joint  
6 center for higher education that has been designated for future  
7 expansion of the Riverpoint higher education park.

8 NEW SECTION. **Sec. 5.** The board may provide for the construction,  
9 completion, reconstruction, remodeling, rehabilitation, and improvement  
10 of buildings and facilities authorized by the legislature for the use  
11 of the Riverpoint higher education park and finance the payment thereof  
12 by bonds payable out of special funds derived from income received from  
13 the payment of building fees, gifts, bequests or grants, and such  
14 additional funds as the legislature may provide.

15 NEW SECTION. **Sec. 6.** Unless the context clearly requires  
16 otherwise, the definitions in this section apply throughout sections 4  
17 through 12 of this act.

18 (1) "Board" means the board of the joint center for higher  
19 education.

20 (2) "Building fees" means charges, rentals, and other income  
21 derived from any or all revenue-producing lands, buildings, and  
22 facilities of the joint center for higher education heretofore or  
23 hereafter acquired, constructed, or installed, including but not  
24 limited to income from rooms, student activity buildings, vehicular  
25 parking facilities, or land or the appurtenances thereon.

26 (3) "Bond retirement fund" means the fund created in section 9 of  
27 this act for the retirement of the bonds authorized in sections 4  
28 through 12 of this act.

29 (4) "Bonds" means the bonds payable out of the bond retirement  
30 fund.

31 (5) "Projects" means the construction, completion, reconstruction,  
32 remodeling, rehabilitation, or improvement of any building or other  
33 facility of the joint center for higher education authorized by the  
34 legislature at any time and financed by the issuance and sale of bonds.

1        NEW SECTION.    **Sec. 7.**    In addition to the powers conferred under  
2 existing law, the board may:

3        (1) Contract for the construction, completion, reconstruction,  
4 remodeling, rehabilitation, and improvement of such buildings or other  
5 facilities of the Riverpoint higher education park as are authorized by  
6 the legislature to be financed by the issuance and sale of bonds;

7        (2) Finance the construction, completion, reconstruction,  
8 remodeling, rehabilitation, and improvement of buildings or other  
9 facilities of the Riverpoint higher education park by the issuance of  
10 bonds secured by the pledge of any or all of the building fees; and

11        (3) Without limitation of the foregoing, accept grants from the  
12 United States government, or any federal or state agency or  
13 instrumentality, or private corporation, association, or person to aid  
14 in defraying the costs of any such projects.

15        NEW SECTION.    **Sec. 8.**    For the purpose of financing the cost of any  
16 projects, the board may adopt the resolution or resolutions and prepare  
17 all other documents necessary for the issuance, sale, and delivery of  
18 the bonds or any part thereof at such time or times as it shall deem  
19 necessary and advisable. The bonds:

20        (1) Shall not constitute:

21        (a) An obligation, either general or special, of the state; or

22        (b) A general obligation of the joint center board;

23        (2) Shall be:

24        (a) Either registered or in coupon form;

25        (b) Issued in denominations of not less than one hundred dollars;

26        (c) Fully negotiable instruments under the laws of this state; and

27        (d) Signed on behalf of the board by the chairperson of the board,  
28 attested by the secretary of the board, have the seal of the joint  
29 center for higher education impressed thereon or a facsimile of such  
30 seal printed or lithographed in the bottom border thereof, and the  
31 coupons attached thereto shall be signed with the facsimile signatures  
32 of such chairperson and the secretary;

33        (3) Shall state:

34        (a) The date of issue;

35        (b) The series of the issue and be consecutively numbered within  
36 the series; and

37        (c) That the bond is payable both principal and interest solely out  
38 of the bond retirement fund;

1 (4) In each series shall bear interest, payable either annually or  
2 semiannually, as the board may determine;

3 (5) Shall be payable both principal and interest out of a bond  
4 retirement fund;

5 (6) Shall be payable at such times over a period of not to exceed  
6 forty years from date of issuance, at such place or places, and with  
7 such reserved rights of prior redemption, as the board may prescribe;

8 (7) Shall be sold in such manner and at such price as the board may  
9 prescribe;

10 (8) Shall be issued under and subject to such terms, conditions,  
11 and covenants providing for the payment of the principal thereof and  
12 interest thereon and such other terms, conditions, covenants, and  
13 protective provisions safeguarding such payment as found to be  
14 necessary by the board for the most advantageous sale thereof, which  
15 may include but not be limited to:

16 (a) A covenant that the building fees shall be established,  
17 maintained, and collected in such amounts that will provide money  
18 sufficient to pay the principal of and interest on all bonds payable  
19 out of the bond retirement fund, to set aside and maintain the reserves  
20 required to secure the payment of such principal and interest, and to  
21 maintain any coverage that may be required over such principal and  
22 interest;

23 (b) A covenant that a reserve account shall be created in the bond  
24 retirement fund to secure the payment of the principal of and interest  
25 on all bonds issued and a provision made that certain amounts be set  
26 aside and maintained therein;

27 (c) A covenant that sufficient moneys may be transferred from the  
28 capital projects account of the joint center for higher education to  
29 the bond retirement fund when ordered by the board in the event there  
30 is ever an insufficient amount of money in the bond retirement fund to  
31 pay any installment of interest or principal and interest coming due on  
32 the bonds or any of them;

33 (d) A covenant fixing conditions under which bonds on a parity with  
34 any bonds outstanding may be issued.

35 The proceeds of the sale of all bonds, exclusive of accrued  
36 interest that shall be deposited in the bond retirement fund, shall be  
37 deposited in the state treasury to the credit of the capital projects  
38 account of the joint center for higher education and shall be used  
39 solely for paying the costs of the projects.

1        NEW SECTION.    **Sec. 9.** For the purpose of paying and securing the  
2 payment of the principal of and interest on the bonds as the same shall  
3 become due, there shall be paid into the state treasury and credited to  
4 the bond retirement fund of the joint center for higher education  
5 hereby created, the following:

6            (1) Amounts derived from building fees as the board certifies as  
7 necessary to prevent default in the payments required to be paid into  
8 such bond retirement fund;

9            (2) Any grants that may be made, or may become available, for the  
10 purpose of furthering the construction of any authorized projects, or  
11 for the repayment of the costs thereof; and

12           (3) Such additional funds as the legislature may provide.

13        The bond retirement fund shall be kept segregated from all moneys  
14 in the state treasury and shall, while any of such bonds or any  
15 interest thereon remains unpaid, be available solely for the payment  
16 thereof. As a part of the contract of sale of such bonds, the board  
17 shall undertake to charge and collect building fees and to deposit the  
18 portion of such fees in the bond retirement fund in amounts that will  
19 be sufficient to pay and secure the payment of the principal of, and  
20 interest on all such bonds outstanding.

21        NEW SECTION.    **Sec. 10.** The board may:

22            (1) Reserve the right to issue bonds later on a parity with any  
23 bonds being issued;

24            (2) Authorize the investing of moneys in the bond retirement fund  
25 and any reserve account therein;

26            (3) Authorize the transfer of money from the joint center for  
27 higher education's capital projects account to the bond retirement fund  
28 when necessary to prevent a default in the payments required to be made  
29 out of such fund;

30            (4) Create a reserve account or accounts in the bond retirement  
31 fund to secure the payment of the principal of and interest on any  
32 bonds.

33        NEW SECTION.    **Sec. 11.** The board may issue refunding bonds to  
34 provide funds to refund any or all outstanding bonds payable from the  
35 bond retirement fund and to pay any redemption premium payable on such  
36 outstanding bonds being refunded. Such refunding bonds may be issued  
37 in the manner and on terms and conditions and with the covenants

1 permitted by section 8 of this act for the issuance of bonds. The  
2 refunding bonds shall be payable out of the bond retirement fund and  
3 shall not constitute an obligation either general or special, of the  
4 state or a general obligation of the joint center for higher education  
5 or its board. The board may exchange the refunding bonds at par for  
6 the bonds that are being refunded or may sell them in such manner, at  
7 such price, and at such rate or rates of interest as it deems for the  
8 best interest of the joint center.

9 NEW SECTION. **Sec. 12.** The bonds authorized to be issued under  
10 this chapter shall not be general obligations of the state of  
11 Washington, but shall be limited obligation bonds payable only from the  
12 special funds created for their payment. The legislature may provide  
13 additional means for raising money for the payment of interest and  
14 principal of said bonds. Sections 4 through 12 of this act shall not  
15 be deemed to provide an exclusive method for such payment. The power  
16 given to the legislature by this section to provide for additional  
17 means for raising money is permissive, and shall not in any way be  
18 construed as a pledge of the general credit of the state of Washington.

19 **Sec. 13.** RCW 28B.10.060 and 1991 c 205 s 1 are each amended to  
20 read as follows:

21 (1) The Spokane intercollegiate research and technology institute  
22 is hereby ~~((created))~~ established.

23 (2) The institute shall be operated and administered as a multi-  
24 institutional education and research center, housing appropriate  
25 programs conducted in Spokane under the authority of Washington State  
26 University, Eastern Washington University, and the community colleges  
27 of Spokane. Gonzaga University and Whitworth College may participate  
28 as full partners in any academic and research activities of the  
29 institute.

30 (3) The institute shall house education and research programs  
31 specifically designed to meet the needs of the greater Spokane area.

32 (4) The coordination of programs and activities at the institute  
33 shall be subject to the authority of the joint center for higher  
34 education under ~~((RCW 28B.25.020. The institute shall be administered  
35 by the joint center))~~ this chapter.

36 (5) The establishment of any education or research programs at the  
37 institute and the lease, purchase, or construction of any site or



1 facility for the institute shall be subject to the approval of the  
2 higher education coordinating board pursuant to RCW 28B.80.340.

3 ~~((6) All cabinets, furniture, office equipment, other tangible  
4 property acquired by Washington State University for the institute, all  
5 funds, credits, or other assets held by Washington State University for  
6 the institute shall be assigned to the joint center for higher  
7 education.))~~

8 NEW SECTION. **Sec. 14.** The board of the joint center for higher  
9 education shall hire a director of the institute who may hire other  
10 staff under chapter 41.06 RCW as necessary to carry out the institute's  
11 duties. The director shall exercise such additional powers, other than  
12 rule making, as may be delegated by the board by resolution.

13 NEW SECTION. **Sec. 15.** The joint center for higher education  
14 established under this chapter shall provide central administration  
15 services for the institute, including, but not limited to, accounting,  
16 budgeting, financial reporting, facilities management, personnel, and  
17 purchasing services.

18 NEW SECTION. **Sec. 16.** RCW 28B.25.080 and 1991 c 205 s 10 are each  
19 repealed.

20 NEW SECTION. **Sec. 17.** Sections 3 through 12, 14, and 15 of this  
21 act are each added to chapter 28B.25 RCW.

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