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**SUBSTITUTE SENATE BILL 5908**

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**State of Washington**

**58th Legislature**

**2003 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Zarelli, Rossi, Carlson, Kohl-Welles, Fairley, B. Sheldon, Keiser, McAuliffe, West and Winsley)

READ FIRST TIME 04/17/03.

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 thirty-one million dollars, or so  
16 much thereof as may be required, to finance all or a part of the cost  
17 of these projects and all costs incidental thereto. The bonds issued  
18 under the authority of this section shall be known as Washington's  
19 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.

34 This chapter is not intended to limit the legislature's ability to  
35 appropriate bond proceeds if the full amount authorized in this chapter

1 has not been appropriated after five biennia, and the authorization to  
2 issue bonds contained in this chapter does not expire until the full  
3 authorization has been appropriated and issued.

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

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

14 NEW SECTION. **Sec. 7.** PROCEEDS. (1) The proceeds from the sale of  
15 the bonds authorized in section 4 of this act shall be deposited in the  
16 higher education construction account in the state treasury.

17 (2) The proceeds shall be used exclusively for the purposes in  
18 section 4 of this act and for the payment of the expenses incurred in  
19 connection with the sale and issuance of the bonds.

20 NEW SECTION. **Sec. 8.** The legislature intends that the proceeds  
21 from the sale of bonds issued under this chapter be used for the  
22 following projects during the 2005-07 and 2007-09 biennia:

23 (1) For the University of Washington:

24 (a) Bothell branch campus/Cascadia Community College, State Route  
25 522 offramp;

26 (b) Life sciences I building;

27 (c) Bothell branch campus phase 2B; and

28 (d) New access and program growth projects;

29 (2) For Washington State University:

30 (a) Spokane Riverpoint campus - academic center building;

31 (b) Pullman campus - Holland Library renovation;

32 (c) Pullman campus - biotechnology/life sciences 1;

33 (d) TriCities campus - bioproducts and sciences building; and

34 (e) Intercollegiate College of Nursing, Spokane - nursing building  
35 at Riverpoint;

- 1 (3) For Central Washington University: Hogue technology;  
2 (4) For The Evergreen State College:  
3 (a) Daniel J. Evans building; and  
4 (b) Communications building and theater expansion;  
5 (5) For Western Washington University:  
6 (a) Academic instructional center;  
7 (b) Parks Hall; and  
8 (c) Performing Arts Center renovation;  
9 (6) For the community and technical college system:  
10 (a) Green River Community College science building;  
11 (b) Walla Walla Community College basic skills/computer lab;  
12 (c) Cascadia Community College, University of Washington Bothell  
13 branch campus/Cascadia Community College phase 2B offramp;  
14 (d) Pierce College Puyallup, communication arts and allied health;  
15 and  
16 (e) Future growth projects.

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

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

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

30 (4) The owner and holder of each of the bonds or the trustee for  
31 the owner and holder of any of the bonds may by mandamus or other  
32 appropriate proceeding require the transfer and payment of funds as  
33 directed in this section.

34 NEW SECTION. **Sec. 10.** BONDS--LEGAL INVESTMENT FOR PUBLIC FUNDS.  
35 The bonds authorized by this chapter shall constitute a legal

1 investment for all state funds or for funds under state control and all  
2 funds of municipal corporations.

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

8 NEW SECTION. **Sec. 12.** CHAPTER SUPPLEMENTAL. This chapter  
9 provides a complete, additional, and alternative method for  
10 accomplishing the purposes of this chapter and is supplemental and  
11 additional to powers conferred by other laws. The issuance of bonds  
12 and refunding bonds under this chapter need not comply with the  
13 requirements of any other law applicable to the issuance of bonds. The  
14 issuance of bonds under this chapter shall not be deemed to be the only  
15 method to fund projects under this chapter.

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

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

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

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