

Olympia Update No. 10 • March 14, 2007

WSU Constitutional Amendment Passes State House of Representatives

House overwhelmingly approves WSU constitutional amendment

Substitute House Joint Resolution 4215 passed the state House of Representatives last week, easily garnering the necessary two-thirds house majority on a 92-2 vote. The bill underwent slight amendments that received support from state Treasurer Mike Murphy and now appears to be vehicle for this legislation in the Senate. The measure has now moves to the state Senate where it could come to a vote in front of the Senate Ways and Means Committee as early as Thursday. Ways and Means approved a similar bill earlier in the session.

The proposed constitutional amendment will allow revenues from Washington State University trust lands to be partly invested in stocks, rather than just government bonds. The measures introduced by WSU in each house have received the support of Joe Dear, of the state Investment Board, the board that manages these WSU investments.

It is also supported by the other five state public baccalaureate institutions that include the University of Washington, Western Washington University, Central Washington University, Eastern Washington University, and The Evergreen State College.

WSU has about 150,000 acres of trust lands managed by the state Department of Natural Resources which produce revenues that go into "permanent funds." Those WSU funds, which will total more than \$360 million by the end of the biennium, actually lost more than a half percent on bond investments during the last year. Similar higher education funds in other states that allowed investments in stocks had returns of six percent to 11.3 percent. Over the last decade, other states have averaged about two percent better return on the investment than the Washington funds.

Today is the final day for bills that do not have budget impact to pass the originating house. It is the 66th day of the scheduled 105-day session, slated to end by April 22. WSU has been tracking more than 140 bills that could impact education and research. About 50 of those bills died in committee. The list will be pared down considerably again today with the passing of the deadline. You can view the list, the bills that are officially alive or dead, bill text and summaries, and the status of the other legislation at:

<http://www.olympia.wsu.edu/Status/Status2007.stm>.

The next step in the budget process: the full House budget. House Appropriations Chair Helen Sommers is expected to make public a proposed House operating budget next week. It is uncertain how closely the budget for WSU will align with the budget proposed by the governor and the House Education-Appropriations Subcommittee earlier in the session. WSU continues to support the governor's budget. The House subcommittee maintained the Governor's funding level for WSU, while adding an additional \$4 million to make up much of the difference in funding per student created by a lower tuition rate for students.

Some key legislators including Rep. Kelli Linville, and Rep. Bill Grant, D-Walla Walla, have been working to increase funding for the Unified Agriculture Initiative. The governor and the House subcommittee funded \$3 million of the \$10.8 million request.

The House subcommittee budget provided no maintenance and operation funding for new facilities at WSU Mount Vernon. The Governor's budget provided just \$557,000 of the \$734,000 requested by WSU for maintenance and operation of facilities at the **Northwestern Washington Research and Extension Center (WSU Mount Vernon.)** That was a matter of some concern, however the House subcommittee budget funded zero. The funding is necessary to provide custodians, utilities, and building maintenance for new \$8 million facilities in Mount Vernon, and continuing support for existing buildings. Over two million dollars of the \$8 million required for construction included appropriations from public agencies (Skagit County, Port of Skagit, and Whatcom County) as well as private donations (companies, families, and community organizations).

Also next week, House Capital Budget Chair Bill Fromhold, D-Vancouver, is expected to release the House version of the WSU construction budget. A hearing has already been scheduled for Tuesday at 1:30 p.m. WSU supports the governor's proposed capital budget (House Bill 1092) which funds a record \$176 million in construction projects for the university. Buildings funded include the \$58 million completion of the four-story Life Sciences Building in Pullman and the \$24.35 million undergraduate classroom building at WSU Vancouver.

In other developments:

- **Funding for the "Stars" program** has been stripped from Substitute Senate Bill. "Stars" is a \$10 million proposal that could lead to a nationally-ranked bioproducts researcher for WSU's system in Tri-Cities.. The bill has passed the Senate 48-0 without funding on March 7 and could still implement the program with an appropriation in the budget.
- **Tri-Cities interests** continue to work to secure additional enrollment funding for 110 new freshman enrollment slots, 25 new nursing positions and 10 new electrical engineering positions. The Governor and subcommittee budgets provided 75 freshman enrollments, five nursing slots, and no electrical engineering.
- **House Bill 2289**, which would transfer responsibility for information technology from WSU personnel to Olympia-based state administrators, has been amended to become a study. The bill is currently in the House Rules Committee.