



# OLYMPIA UPDATE

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**Senate Capital Budget Released**

## **Senate funds WSU Vancouver Tech Building**

**Construction will be underway this summer on a \$43.5 million WSU Vancouver Applied Technology Classroom Building and a \$35 million WSU Pullman Global Animal Health Building if the capital construction budget proposed by Senate leadership today passes the Legislature.**

Washington State University praised the creativity of the Senate Capital Budget plan, Proposed Substitute Senate Bill 5222, in testimony before the Senate Ways and Means Committee today. The total House budget for WSU is \$58.1 million. The Senate's WSU capital budget, using creative financing, is \$115.7 million, just \$5 million less than proposed by Gov. Christine Gregoire. The House proposal does not fund the WSU Vancouver building, which is WSU's top priority for the university system, and provides less funding for the Global Animal Health Building and less funding for minor works.

The Senate proposal moves two critical WSU buildings to design stage, positioning them to be constructed just two years from now. Those projects include \$4.34 million in design funds for the Riverpoint Biomedical and Health Sciences Building, which is expected to be an approximately \$45 million WSU building in Spokane that will also house research programs for Eastern Washington University. It also provides alternative financing for a \$7.4 million design of the Veterinary Medical Research Building in Pullman. Construction costs for the Veterinary Medical Research Building are estimated to be \$88 million. Design funds for the Riverpoint Biomedical building and the Veterinary Medical Research building are not funded by the House (House Bill 1216.)

The news on construction budgets came on the heels of bleak operating budget announcements this week that threaten to slash funding to WSU by 20 to 29 percent and reduce enrollments at WSU and other institutions. "Monday we heard about the sad budget, so today we introduced the happy budget," said Senate Capital Chair Karen Fraser, D-Olympia.

"This is the more optimistic part of the process," said Senate Majority Leader Lisa Brown, D-Spokane.

The Senate funded the Vancouver and Riverpoint buildings using state bond authority that is typical in a legislative capital budget. But with more than \$700 million in capital funds shifted to fill gaps in the operating budget, the Legislature is left with less funding than the governor had in December. The Senate used a creative financing method to allow additional projects to move forward including immediate construction of the Global Animal Health Building and design of the Veterinary Medical Research Building. This financing plan bonds university trust land revenues and building fees paid by students with tuition.

The \$3.3 billion Senate-proposed state capital budget is about \$1.3 billion less than the current statewide budget. About \$1 billion of the spending is in higher education, where the senators indicated that the

research university projects were particularly targeted to quickly boost economic development and create an estimated 25,000 jobs.

**Minor Works** The Senate and the House provide funding at the governor's \$27.6 million level for critical minor works preservation projects. These are projects that repair and renew older facilities such as replacing leaky roofs and installing fire-suppression systems. The Senate also funds minor works program levels at \$17.5 million, about \$3 million less than the governor. This funding allows the university to make improvements such as re-sizing classrooms or providing access to disabled persons. The House proposal provides just \$9 million for these programmatic projects.

**The 56,000-square foot four-story Vancouver Applied Technology Classroom Building** funded by the Senate is the highest capital priority for the entire WSU system. The teaching and research facility will meet some of the most pressing employment needs of Southwest Washington and the entire state, focusing on computer science and electrical engineering. The building includes specialized laboratories and classrooms to serve students in computer science and engineering that are in high demand by the state's technology industries. It is not funded by the House.

**Most of the cost of the WSU Global Animal Health Building, Phase I**, is funded on a \$25 million grant from the Bill and Melinda Gates Foundation. The building houses the research component of WSU's new "School for Global Animal Health." A priority academic program for the university, the school is dedicated to providing innovative solutions to global infectious diseases in humans. It does that by researching health problems in animals that are spread to humans. More than 80 percent of human diseases originate from animals. It originally was not proposed by WSU for state funding. But as an economic stimulus move, the university requested \$10 million in state funding so that construction of the \$35 million building could begin immediately -- when the Eastern Washington economy needs it most. The Senate budget funds the \$10 million requested. The House budget provides \$6 million. The House also provides \$200,000 for pre-design of a companion diagnostic building scheduled for construction in 2013 that was recommended governor. The Senate did not fund any pre-designs.

**The Veterinary Medical Research Building**, funded by the Senate for design, will provide critical research space for neuroscience, cardiac muscle and bioengineering research and education. It is WSU's second highest construction priority. There are 35-40 faculty biomedical researchers to be moved out of old, crowded space along with approximately 200 graduate students, post-docs and technicians that participate in research. The faculty are among the most successful and productive scientists at WSU. The project was not funded by the House.

**The 86,000-square-foot Riverpoint Biomedical & Health Sciences Building** supports programs related to medical education, including Pharmacy, in Spokane. WSU initially requested pre-design funds for the building but the Senate accelerates the project to design phase. Space in the building will also be shared with Eastern Washington University. Design funding is provided by the Senate with regular state bonding authority next biennium to allow for construction in 2011-2013. Funding was not provided by the House.

For the status of bill affecting WSU - [http://www.olympia.wsu.edu/Status/2009\\_Shortlist\\_Mar24.aspx](http://www.olympia.wsu.edu/Status/2009_Shortlist_Mar24.aspx)

**Olympia Update is produced for persons interested in state government developments affecting Washington State University. For more information, go to [www.olympia.wsu.edu](http://www.olympia.wsu.edu). Contact: Larry Ganders, Assistant to the President, 360-956-2165. From WSU campuses, dial 8-2165. If you wish to subscribe to Olympia Update directly by email go to [www.olympia.wsu.edu/Update.aspx](http://www.olympia.wsu.edu/Update.aspx)**