



# OLYMPIA UPDATE

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**WSU Construction Accelerated on Four Buildings**

## **Governor signs capital construction budget**

A biennial state capital budget authorizing \$196.8 million in WSU construction was signed this afternoon by Gov. Christine Gregoire -- accelerating four new science building projects at three campuses.

"The capital budget I am signing today will support more than 13,000 jobs at its peak," Gregoire said of the entire state construction plan. "These jobs are critical in helping our state recover from the economic downturn. At the same time, the investments build the infrastructure needed to keep Washington at the forefront of the 21st century economy."

The only major change Gregoire made to the Legislature-passed budget was a veto of requirements that the Washington State Arts Commission purchase artwork displayed in state agencies, schools and universities only from artists living in Washington state. Gregoire said the requirement could have a negative impact on Washington artists who sell to out-of-state customers.

### **Applied Technology Classroom Building**

Today's action on Engrossed Substitute House Bill 1216 means construction will begin late this year on the Applied Technology Classroom Building at WSU Vancouver. The building is the top building priority for the university across all campuses. The budget provided \$36.7 million of the \$38.7 million requested by WSU for the four-story building. Legislators believe that recessionary bidding conditions will make up the \$2 million difference. Securing the funding was controversial in the Legislature as the House budget provided no funding. It was recommended by both the governor and the Senate and received support from Vancouver-area business and civic leaders. The building includes specialized laboratories, engineering classrooms, and other space to serve computer science and engineering students.

### **Veterinary Medical Research Building**

The bill also authorizes WSU to sell bonds to both design and construct the \$96 million Veterinary Medical Research Building on the Pullman campus. That means construction on this building could begin as early as 2011. WSU requested \$7.4 million in design funds, which would have made it eligible for construction in 2012. It became an "all or nothing" showdown at the Legislature as the House proposed no funding for the building, effectively delaying construction until 2015. But Senate leaders made higher education more of a priority and successfully pushed for an alternate financing package that was ultimately adopted. The building is designed to get neuroscience, cardiac muscle and bioengineering research and education out of crowded and antiquated space.

### **Global Animal Health Building, Phase I**

The budget also provides \$6.2 million of the \$10 million match required to construct the \$35 million Global Animal Health Building, Phase I, on the Pullman campus. The Bill and Melinda Gates Foundation made the project possible with a \$25 million grant. WSU needs only \$3.8 million to complete the final

package. The state participation may leverage additional private and federal funding to make the project ready for construction.

### **The Riverpoint Biomedical & Health Sciences Building**

The Riverpoint Biomedical Research Building received \$4.34 million, more than the pre-design funds that the governor recommended. This additional funding means the project could be ready to receive a final construction go-ahead from the state Legislature in the 2011 session instead of the 2013 session. The project will benefit more than one university as programs connected to Eastern Washington University will also be housed in the building. The building includes space to consolidate WSU health science programs, support Spokane medical education through a partnership with the University of Washington, and to expand biomedical research. A key advocate of this and the other major WSU projects was Senate Majority Leader Lisa Brown, D-Spokane.

### **Minor Works**

Minor works projects were funded at \$43.6 million in the capital budget. Funds earmarked for preservation alone were \$26.1 million (33% less than this current biennium.) Funds earmarked for program improvements and equipment are funded at \$17.5 million, about the same level as the current biennium.

### **The Best of Capital Budgets?**

What allowed the \$196 million level of spending for WSU was authorizing the university to issue bonds that would be repaid from the institution's local building account instead of the state general fund. This alternate financing scheme, proposed by Senate Capital Chair Karen Fraser, D-Olympia, provided funding for three of the four WSU projects. It authorized the issuance of bonds to be repaid from WSU's local building fund for \$10 million of the Vancouver Applied Technology building construction, \$95.78 million for the Veterinary Medical Research Building, and the \$6.2 million of the funds by the state for Global Animal Health. The House proponent of the alternate funding concept was Rep. Scott White, D-Seattle. Both White and Fraser were on hand today for bill signings with the governor in Olympia today.

Just looking strictly at the number of projects authorized, this capital construction budget could be considered the best ever for WSU, just topping the \$190 million for the current biennium. However, a look at just the traditional source of building funds paints a different picture for the future. The general fund bonded spending for WSU is among the lowest of capital budgets of the last decade. The state capital budget transferred more than \$700 million into the operating budget to deal with the recession. It also put millions more into K-12 construction and other areas of government that once consumed much less of the budget. With the pressures of a state debt limit, WSU general fund construction allocation was just \$54.2 million of the \$196 million in projects. Overall, state general fund capital spending was down 30 percent, said House Capital Chair Hans Dunshee, D-Snohomish. He said state capital spending was reduced to assure that more K-12 teachers could be funded in the operating budget. The revenue source that will repay these university bonds will be a portion of student tuition (the building fee) and endowment income from WSU's trust land timber sales.

**For today's status of bills (passed and failed) affecting WSU -**  
[http://www.olympia.wsu.edu/Status/2009\\_Shortlist\\_May5.aspx](http://www.olympia.wsu.edu/Status/2009_Shortlist_May5.aspx)

**For governor's actions on bills that were successful in the 2009 Legislature, go to:**  
[http://www.olympia.wsu.edu/Status/2009\\_Maylist\\_May12.aspx](http://www.olympia.wsu.edu/Status/2009_Maylist_May12.aspx)

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