



WASHINGTON STATE
UNIVERSITY

Washington State University's Land Grant Endowments



Authorization, Revenue, Distribution and Use



The Morrill Act



- Funded education institutions by granting federally controlled lands to the state to develop or sell in order to raise funds to establish and endow land-grant colleges



Washington State Legislation

- RCW 28B.30.200 Morrill act funds allotted to university
All funds granted by the United State government under the Morrill act, passed by congress and approved July 1892 (1862), together with all acts amendatory thereof and supplementary thereto, for the support and in aid of colleges of agriculture and mechanic arts, as well as experiment stations and farms and extension work in agriculture and home economics in connection with colleges of agriculture and mechanic arts are hereby allotted to Washington State University



WSU Land Grant Endowments

Land grant endowments (2) total 151,188 acres of timber, agricultural, and grazing lands

- Managed by the Washington State Department of Natural Resources (DNR)
- WSU representative on the Board of Natural Resources (BNR) participates in review and approval of timber sales
- Trust lands must be managed for the exclusive benefit of the designated beneficiaries. If the DNR and BNR do not act in the interest of the beneficiaries, they are open to legal challenge from the beneficiaries.



WSU Permanent Funds

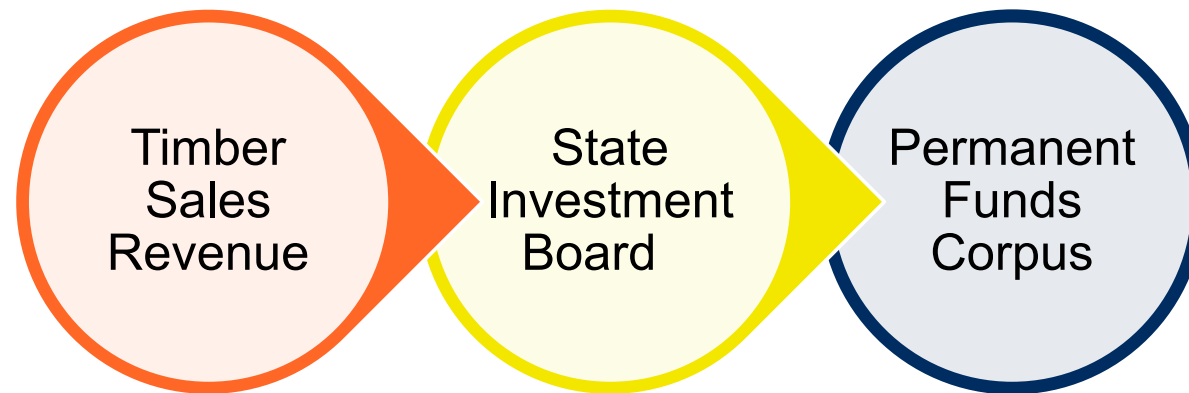
Permanent funds managed by the Washington State Investment Board (WSIB)

- Agricultural College Permanent Fund (RCW 43.79.136)
- Scientific School Permanent Fund (RCW 43.79.110)



Contributions to Permanent Funds

- Timber sales revenue
- Deposited with the State Investment Board (SIB) for investment in the two permanent funds
- Contributions to the permanent funds become part of the corpus and are not expendable



Distributions to WSU

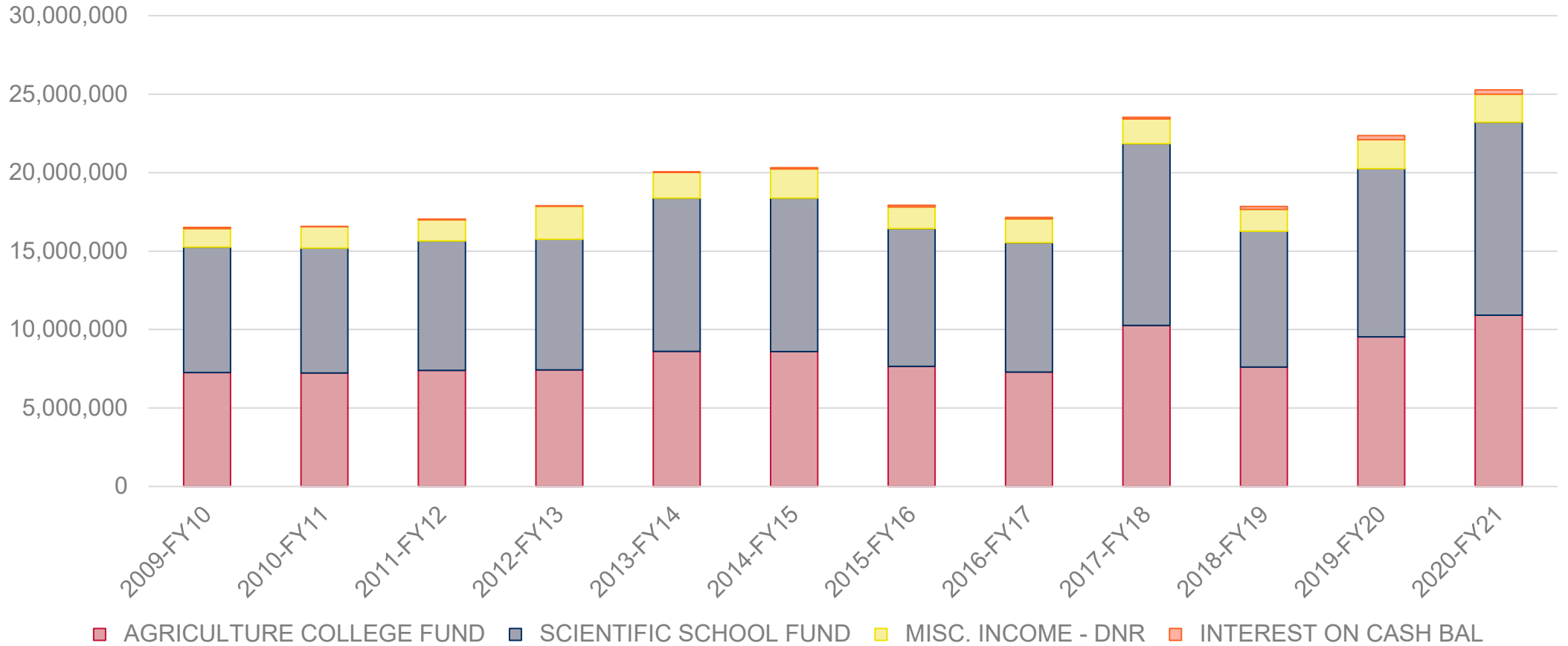
- Agricultural Land and Mineral lease revenue
- Endowment income earned on permanent funds
- All distributed income is used for capital projects and debt service
- Legislative authority is required and is granted through the biennial state capital budget process



Distributions to WSU



TRUST REVENUE TO WSU



Building Fees

- Student tuition includes both operating fees and building fees. Operating fees are budgeted for use by the University as part of the operating budget. Building fees are restricted for capital purposes.
- ***Building fees along with the income from the agricultural and scientific endowments and lease revenues fund the legislatively authorized capital budget and pay debt service.***



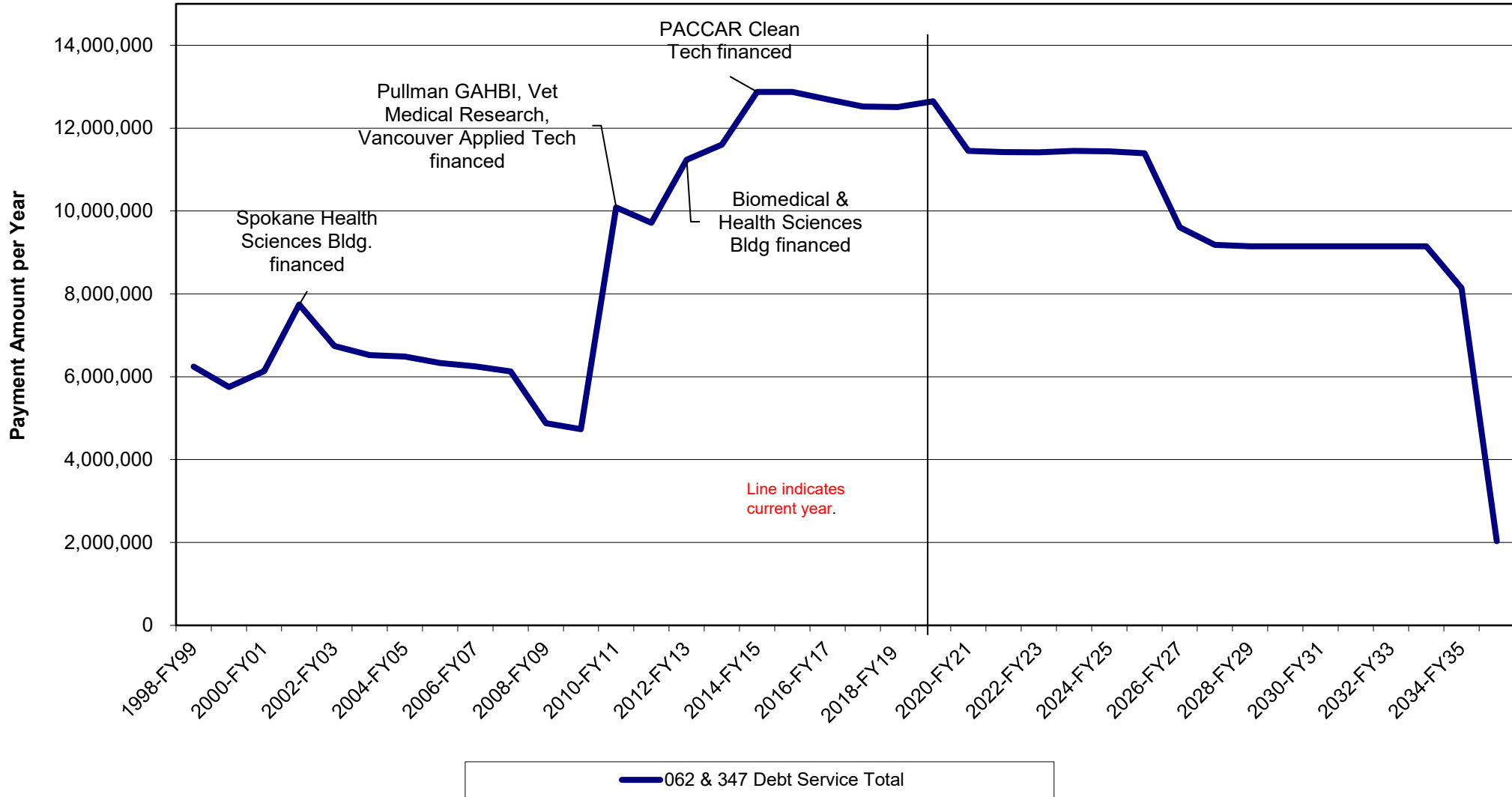
Debt Service

- **Funds are always applied first to debt service on existing bonded projects.**
- **WSU's current debt service is \$11.4M / year**
- **Bond issues since 2000 include:**
 - Spokane Health Sciences Building
 - Pullman Global Animal Health Building 1, Vet Med Research, and Vancouver Applied Technology Building
 - Biomedical & Health Sciences Building
 - PACCAR Clean Technology Building





WSU Building Account Debt Service - 35 year timeline



Capital Expenditures

After debt service commitment is assessed, the revenue balance is appropriated by the legislature for new WSU capital projects

- Preventative Maintenance funded in each biennial capital budget at \$10,100,000
- Minor Works (MCR/MCS and MCI)
- Standalone Projects



Minor Works & Standalones

- **Minor Capital Preservation (funded at \$27M in 21-23 budget)**
 - MCR/MCS funds for projects valued between \$25K and \$2M includes reinvestment/renewals system-wide in existing facilities and infrastructure.
 - Project scopes include elevator renewals, new roofs or exterior preservation, HVAC system modernization or preservation, electrical distribution system renewal
- **Minor Capital Improvement (funded at \$6.4M in 21-23)**
 - MCI / Omnibus equipment funds for projects/allowable equipment purchases between \$25K and \$2M includes capital improvements for programs system-wide
 - Project scopes include space renovations for program improvement; omnibus equipment
- **Standalone Projects \$2M to \$10M**
 - Clark Hall Research Lab Renovation funded in 21-23 budget for \$4.9M)



WASHINGTON STATE UNIVERSITY 2021-23 State Capital Budget Funding Request

Priority	Project	Stage	Prior \$	Requested by	Final	Final Funding Composition	
				WSU	Compromise	WSU Bldg Acct*	State Const Acct**
1	Minor Capital Preservation (MCR)	pool		35,000,000	27,793,000	27,793,000	
2	Minor Capital Program (MCI & Omnibus Equip.)	pool		10,000,000	6,400,000	6,400,000	
3	Johnson Hall Demolition	D/C		8,000,000	8,000,000		8,000,000
4	New Campus Fire Protection and Domestic Water Reservoir	D/C		8,000,000	8,000,000		8,000,000
5	WSU Vancouver - New Life Sciences Building	C	4,500,000	52,600,000	52,600,000		52,600,000
6	Spokane Phase One Building Renovation	D/C		15,000,000	15,000,000		15,000,000
7	New Pullman Sciences Building	PD		500,000	500,000		500,000
8	New STEM Teaching and Replacement Building - VCEA	PD		500,000	0		0
9	Washington State University Pullman - STEM Teaching Labs Renovation	D/C		4,900,000	2,500,000		2,500,000
10	Clark Hall Research Lab Renovation	D/C		4,900,000	4,900,000	4,900,000	
Project Sub Total				139,400,000	125,693,000		
Preventive Maintenance Budget from Capital			10,115,000	10,115,000	10,115,000	10,115,000	
2021-23 State Capital Budget Funding Request				149,515,000	135,808,000		
Reappropriations							
WSU Vancouver - New Life Sciences Building					1,100,000		1,100,000
Minor Capital Preservation (MCR)					1,000,000	1,000,000	
WSU Tri Cities Academic Building					750,000		750,000
Global Animal Health II					2,500,000		2,500,000
Everett Real Estate Acquisition					10,000,000	10,000,000	
					15,350,000		
Total New and Reappropriated					151,158,000	60,208,000	90,950,000.00

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*WSU Building Account = Building Fees portion of tuition + Land Grant Revenue (fund 062)

**State Construction Account = State Bonds (fund 057)



WASHINGTON STATE UNIVERSITY

