

SENATE BILL REPORT

SB 6605

As Reported By Senate Committee On:
Ways & Means, January 30, 1996

Title: An act relating to general obligation bond debt service payments from the community and technical college capital projects account.

Brief Description: Changing provisions relating to bond debt service payments from the community and technical college capital projects account.

Sponsors: Senators Loveland, West, Rinehart and Haugen.

Brief History:

Committee Activity: Ways & Means: 1/25/96, 1/30/96 [DPS].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6605 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Cantu, Drew, Fraser, Hochstatter, Johnson, Kohl, McDonald, Moyer, Pelz, Roach, Sheldon, Snyder, Spanel, Strannigan, West, Winsley and Wojahn.

Staff: Michael Groesch (786-7434)

Background: Students at public institutions of higher education pay building fees as a part of their tuition and fees. Since academic year 1995-96, building fees have been a percentage, as calculated by the Higher Education Coordinating Board, of total tuition fees. These fees are used to finance capital construction projects either through direct expenditures of available funds or by pledging the on-going revenue as security for general obligation bond indebtedness.

When building fees at community colleges failed to meet principal and interest payments on these bonds, the state general fund was provided as a loan to meet payment obligations with statutory intention that the general fund be repaid when sufficient building fees revenue became available.

Community college building fees revenue is now available for several reasons: (1) there are more students in the system thus more building fees revenue is available; and (2) since academic year 1995-96, building fees have been a percentage of total tuition fees and the building fee charge is increasing proportionately.

Summary of Substitute Bill: The provision that building fees repay the general fund for principal and interest for payment on general obligation bonds secured by building fees is repealed.

Substitute Bill Compared to Original Bill: Language in the 1995-97 capital budget which also requires repayment of the loan is also repealed.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: None.

Testified: No one.