

HOUSE BILL REPORT

HB 1684

As Passed House

March 6, 1997

Title: An act relating to building fee payments by community and technical colleges.

Brief Description: Requiring only collected building fees of community and technical colleges to be paid to the state treasury.

Sponsors: By House Committee on Higher Education (originally sponsored by Representatives Carlson, Radcliff, Mason, Kessler, Ogden, O'Brien, Kenney and Costa; by request of State Board for Community and Technical Colleges).

Brief History:

Committee Activity:

Higher Education: 2/21/97, 2/25/97 [DP].

Floor Activity:

Passed House: 3/6/97, 94-0.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass. Signed by 9 members: Representatives Carlson, Chairman; Radcliff, Vice Chairman; Mason, Ranking Minority Member; Kenney, Assistant Ranking Minority Member; Butler; Dunn; O'Brien; Sheahan and Van Luven.

Staff: Suzi Morrissey (786-7120).

Background: Tuition has two components: building fees and operating fees. Building fees are used to help fund new capital projects, the equipment for new buildings, and the renovation and repair of existing facilities. Building fees may also be used as a revenue stream to help repay the bonds used to finance some capital construction projects.

Public baccalaureate institutions and community colleges must deposit the building fee portion of tuition into the state treasury. The laws governing building fees for the baccalaureate institutions require those institutions to remit the revenue from the fees into the treasury within 35 days of collection. Each community college must remit the fees within 35 days of the beginning of each academic term. The law governing building fees for the community colleges does not distinguish between collected fees and those that are owed but not collected. During a 1996 fiscal audit of one of the

community colleges, the state auditor's office questioned the college's practice of depositing into the treasury only the revenue from the collected building fees. The college was following the practice of all other community colleges.

Although the law governing the deposit of building fees into the treasury requires the each community and technical college to deposit building fees, technical colleges do not pay into the building fund because technical colleges do not have building fees.

Summary of Bill: Within 35 days of the start of each quarter, community and technical colleges will deposit all revenue from collected building fees into the state treasury.

Appropriation: None.

Fiscal Note: Requested on February 6, 1997.

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

Testimony For: Several community colleges have received audit exceptions due to their practice of remitting only the revenue from collected building fees into the state treasury. This legislation is necessary to ensure that the current practice of community colleges is acceptable to the state auditor.

Testimony Against: None.

Testified: Vallie Jo Fry, State Board for Community and Technical Colleges.