

COMMITTEE ON HIGHER EDUCATION
Representative Don Carlson, Chair

BILL ANALYSIS
SB 5647

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

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 deposit of each community and technical college, technical colleges do not pay into the building fund because technical colleges do not have building fees.

SUMMARY: 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.