

# SENATE BILL REPORT

## SB 6319

---

As Reported By Senate Committee On:  
Higher Education, February 5, 1998

**Title:** An act relating to the advanced college tuition payment program.

**Brief Description:** Changing provisions relating to the advanced college tuition payment program.

**Sponsors:** Senators West, Wood, Kohl, McAuliffe and B. Sheldon; by request of Committee on Advanced College Tuition Payment and Higher Education Coordinating Board.

**Brief History:**

**Committee Activity:** Higher Education: 1/27/98, 2/5/98 [DPS-WM].

---

### SENATE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** That Substitute Senate Bill No. 6319 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Wood, Chair; Winsley, Vice Chair; Bauer, Hale, Kohl, Patterson, Prince, B. Sheldon and West.

**Staff:** Jean Six (786-7423)

**Background:** In 1997, the Legislature created the Washington Advanced College Tuition Payment Program allowing parents and other interested parties to purchase tuition units redeemable at a future date for an equal number of tuition units regardless of any intervening increase in tuition.

The program is administered by the Higher Education Coordinating Board (HECB) and governed by a committee whose members are the Executive Director of the HECB, the Director of the Office of Financial Management, and the State Treasurer.

The Advance College Tuition Payment Program account exists in the Office of the State Treasurer. The 1997 Legislature appropriated \$350,000 for operating expenses for the biennium.

**Summary of Substitute Bill:** The State Finance Committee is authorized to issue general obligation notes in the amount of \$2 million. The maturity of the notes must not exceed three years. Proceeds from the notes are deposited in the Washington Advance College Tuition Payment account to be used for operating expenses.

Several administrative issues are also addressed: (1) financial and commercial information supplied in relation to the purchases or sale of tuition units is exempt from public inspection and copying; (2) the Committee on Advanced Tuition Payment may maintain offices and

employ personnel; and (3) committee members are immune from liability while performing the duties of their office.

**Substitute Bill Compared to Original Bill:** The original bill was not considered.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** The implementation plan and the business plan have now been developed. We need a short-term loan to begin selling tuition units to the many people who have been eagerly awaiting this program. We need the emergency clause so that we can begin selling tuition units in July. According to federal tax law, the units can be used for books and other direct education costs if tuition rates should ever go down.

**Testimony Against:** None.

**Testified:** Marc Gaspard, Exec. Director, HECB; Steven Smith, HECB.