

COMMITTEE ON HIGHER EDUCATION

*Rep. Phyllis Kenney, Democratic Co-Chair and
Rep. Don Carlson, Republican Co-Chair*

BILL ANALYSIS

HB 2559

Brief Description: Changing advanced college tuition payment program provisions.

Background: In 1997, the Legislature created the Washington advanced college tuition payment program. This program allows families to buy tuition units that are redeemable for future tuition at a Washington institution of higher education at no additional cost.

Summary: Several administrative issues relating to the Washington advanced college tuition payment program are clarified. These issues include the following:

- (1) The membership of the committee that administers the advanced college tuition payment program is expanded from three to five members. Two additional members are appointed by the Governor. One is a community member who represents program participants and one is a business person with marketing or financial expertise.
- (2) The definition of "governing body" is clarified to mean the committee that administers the program.
- (3) References to the "board" and "governing body" are changed throughout. "Board" refers the Higher Education Coordinating Board while "governing body" refers to the committee that administers the program.
- (4) The definitions of "tuition and fees" and "unit purchase price" are clarified to mean undergraduate tuition.
- (5) The definition of "higher education institutions" is changed to mean those institutions that are recognized under chapter 529 of the internal revenue code. These are institutions that are eligible for federal financial aid.
- (6) The board shall set salaries for employees. The board shall also consult with the committee in decisions related to employment of the program director.
- (7) Tuition units redeemed for out-of-state or graduate tuition are redeemed at the rate for state public institutions.
- (8) Money used for program administration is subject to the allotment of all expenditures.

(9) Refunds will not exceed the current weighted average minus the penalty rate established by chapter 529 of the internal revenue code.

(10) Refunds are allowed after funds are held for two years.

Appropriation: None.

Fiscal Note: Requested on January 17, 2000.

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

*Prepared for the House Higher Education Committee
by Erika Prager, Research Analyst (786-7120)
Office of Program Research
January 26, 2000*