

HOUSE BILL REPORT

HB 2430

As Reported By House Committee On:
Higher Education

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

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

Sponsors: Representatives Huff, Carlson, Kenney, Radcliff and McDonald; by request of Committee on Advanced College Tuition Payment and Higher Education Coordinating Board.

Brief History:

Committee Activity:

Higher Education: 1/23/98, 1/29/98 [DPS].

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Carlson, Chairman; Radcliff, Vice Chairman; Mason, Ranking Minority Member; Kenney, Assistant Ranking Minority Member; Butler; Dunn; O'Brien and Sheahan.

Staff: Marilee Scarbrough (786-7196).

Background: In 1997, the Legislature created the Washington Advanced College Tuition Payment Program. The program allows families to buy tuition units. The units are redeemable for future tuition at a Washington institution of higher education at no additional cost.

The Committee on Advanced Tuition, whose members are Marc Gaspard, executive director of the Higher Education Coordinating Board; Dick Thompson, Director of the Office of Financial Management; and Mike Murphy, State Treasurer, are responsible for the governance and development of the program.

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

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

Several administrative issues are also addressed in the bill: (1) financial and commercial information supplied in relation to the purchase 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: Language is deleted that exempts the general obligation notes from the debt limit.

Appropriation: None.

Fiscal Note: Requested on January 16, 1998.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: We only received \$175,000 for each fiscal year. Eventually, the program will be self-supporting. Until then we need to borrow funds for our initial operating costs. The amendments will provide that committee members are exempt from liability, and that financial records provided to the committee are not subject to public disclosure. An emergency clause is also included so that there is no further delay in starting the program.

Testimony Against: None.

Testified: Marc Gaspard, Executive Director Higher Education Coordinating Board; Dick Thompson, Director, Office of Financial Management; Susan Patrick, Higher Education Coordinating Board; Steve Smith, Higher Education Coordinating Board; and Donna Lawrence, State Treasurer's Office.