

HOUSE BILL REPORT

2SHB 2430

As Passed Legislature

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

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

Sponsors: By House Committee on Approp (originally sponsored by 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];
Appropriations: 2/7/98 [DP2S(w/o sub HE)].

Floor Activity:

Passed House: 2/13/98, 97-0.
Passed Legislature.

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).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Higher Education. Signed by 29 members: Representatives Huff, Chairman; Alexander, Vice Chairman; Clements, Vice Chairman; Wensman, Vice Chairman; H. Sommers, Ranking Minority Member; Doumit, Assistant Ranking Minority Member; Gombosky, Assistant Ranking Minority Member; Benson; Carlson; Chopp; Cody; Cooke; Crouse; Grant; Keiser; Kenney; Kessler; Lambert; Lisk; Mastin; McMorris; Parlette; Poulsen; Regala; D. Schmidt; Sehlin; Sheahan; Talcott and Tokuda.

Staff: Mary Alice Grobins (786-7118).

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 program is administered by the Committee on Advanced Tuition. The committee is composed of the Executive Director of the Higher Education Coordinating Board; the Director of the Office of Financial Management; and the State Treasurer. Committee members 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 Bill: 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. An appropriation is required for administration expenses.

Appropriation: None.

Fiscal Note: Requested on January 16, 1998.

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

Testimony For: (Higher Education) 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.

(Appropriations) Once the initial costs are funded, the program will be financially self-sufficient. The front-end loan will be recovered through the program in the future. Alternatively, an appropriation for the program's startup costs would be welcome. The Higher Education Coordinating Board supports the approach of having a loan for startup costs.

Testimony Against: (Higher Education) None.

(Appropriations) None.

Testified: (Higher Education) 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.

(Appropriations) Mike Murphy, State Treasurer; and Susan Patrick, Higher Education Coordinating Board.