

# HOUSE BILL REPORT

## SSB 5932

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**As Reported By House Committee On:**  
Capital Budget

**Title:** An act relating to general obligation bond debt service payments from the community and technical college projects account.

**Brief Description:** Changing provisions relating to bond debt service payments from the community and technical college capital projects account.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Loveland, Bauer, Rossi, West, Hale and Rasmussen).

**Brief History:**

**Committee Activity:**

Capital Budget: 2/17/00, 2/24/00 [DP].

**Brief Summary of Substitute Bill**

- Repeals the provision that community college building fees repay the general fund for principal and interest payments on general obligation bonds secured by building fees.

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### HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority Report:** Do pass. Signed by 18 members: Representatives Alexander, Republican Co-Chair; Murray, Democratic Co-Chair; Edmonds, Democratic Vice Chair; Esser, Republican Vice Chair; Anderson; Barlean; Bush; Constantine; Dunshee; Hankins; Koster; Lantz; Mastin; Miloscia; O'Brien; Ogden; Schoesler and Woods.

**Staff:** Bill Robinson (786-7140).

**Background:**

Students at public institutions of higher education pay building fees as a part of their tuition and fees. Since academic year 1995-96, building fees have been a percentage, as calculated by the Higher Education Coordinating Board, of total tuition fees.

These fees are used to finance capital construction projects either through direct expenditures of available funds or by pledging the ongoing revenue as security for general obligation bond indebtedness.

When building fees at community colleges failed to meet principal and interest payments on these bonds, the state general fund provided a loan to meet payment obligations with the statutory intention that the general fund be repaid when sufficient building fees revenue became available.

Community college building fees revenue is now available for several reasons: (1) there are more students in the system, thus more building fees revenue is available; and (2) since academic year 1995-96, building fees have been a percentage of total tuition fees and the building fee charge is increasing proportionately.

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**Summary of Bill:**

The provision that building fees repay the general fund for principal and interest for payment on general obligation bonds secured by building fees is repealed.

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**Appropriation:** None.

**Fiscal Note:** Requested on February 19, 1999.

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

**Testimony For:** These funds were assumed in the capital budget adopted by the Legislature last year and will allow three portable building replacement projects to go forward as planned. The community college system has sufficient student revenues to pay the debt service requirements on all outstanding bonds, but would like past state loans to be forgiven to allow the system to apply student fees to renovating facilities on the community college campuses.

**Testimony Against:** None.

**Testified:** Scott Morgan, State Board for Community and Technical Colleges; John Hurley, South Puget Sound Community College; and Bill Saraceno, Columbia Basin Community College