

SENATE BILL REPORT

EHB 2559

As Reported By Senate Committee On:
Higher Education, February 18, 2000

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

Brief Description: Changing advanced college tuition payment program provisions.

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

Brief History:

Committee Activity: Higher Education: 2/18/2000 [DP].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass.

Signed by Senators Kohl-Welles, Chair; Shin, Vice Chair; Jacobsen, McAuliffe, Sheahan and B. Sheldon.

Staff: Jean Six (786-7423)

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 despite increases in tuition.

Summary of Bill: Several administrative issues relating to the Washington Advanced College Tuition Payment Program are clarified.

Committee Membership. 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. The definition of "governing board" is clarified to mean the committee that administers the program.

Board. References to the "board" and "governing body" are changed throughout. "Board" refers to the Higher Education Coordinating Board while "governing body" refers to the committee that administers the program. The board determines salaries for employees. The board must also consult with the committee in decisions related to employment of the program director.

Tuition/Tuition Units. The definitions of "tuition and fees" and "unit purchase price" are clarified to mean undergraduate tuition. Tuition units for out-of-state or graduate tuition are redeemed at the rate for state public institutions.

Higher Education Institutions. 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.

Refunds. Refunds do not exceed the current weighted average minus the penalty rate established by Chapter 529 of the Internal Revenue Code. Refunds are allowed after funds are held for two years.

Program Administration Expenditures. Money used for program administration is subject to the allotment of all expenditures.

Account Assets. The money in a guaranteed education tuition account is private money and is not subject to the restrictions of state financial aid awards.

Appropriation: None.

Fiscal Note: Requested on February 14, 2000.

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

Testimony For: This is request legislation from the HECB, the Treasurer's Office, and the governing committee. It strengthens the already strong GET program.

Testimony Against: None.

Testified: PRO: Bruce Botka, HECB; Barton Potter, Treasurer's Office.