

FINAL BILL REPORT

SSB 5932

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Synopsis as Enacted

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).

Senate Committee on Ways & Means
House Committee on Capital Budget

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.

Summary: 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repay the general fund for principal and interest for payment on general obligation bonds secured by building fees is repealed.

Votes on Final Passage:

Senate	49	0
House	97	0

Effective: March 22, 2000