

# SENATE BILL REPORT

## SB 6486

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As of January 31, 2002

**Title:** An act relating to college payment programs.

**Brief Description:** Revising provisions for college payment programs.

**Sponsors:** Senators Gardner, Snyder, Franklin, Costa, Keiser, Rasmussen, Winsley and McAuliffe; by request of State Treasurer.

**Brief History:**

**Committee Activity:** Higher Education: 2/4/02.

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### SENATE COMMITTEE ON HIGHER EDUCATION

**Staff:** Jean Six (786-7423)

**Background:** The 2002 Legislature authorized the Guaranteed Education Tuition (GET) Committee to establish and operate a college savings program in conjunction with the pre-paid tuition program. The GET Committee is made up of the Executive Director of the Higher Education Coordinating Board (HECB), the State Treasurer, the Director of the Office of Financial Management (OFM), and two citizen members, one of whom is an account holder.

When authorizing the college savings program, the Legislature provided for initial funding in the form of a loan, limited to \$200,000 from the administrative fees collected by participants in the GET program. This loan is to be repaid with interest before the conclusion of the biennium in which the funds are drawn.

**Summary of Substitute Bill:** The \$200,000 limit is replaced by a \$500,000 limit that may be loaned from the GET fund for development and operation of a savings program. Funds borrowed must be repaid with interest as established by the committee and during a time period determined by the committee but not to exceed four years from the date of the loan.

**Substitute Bill Compared to Original Bill:** The original bill was not considered.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** This act takes effect July 1, 2002.