

SENATE BILL REPORT

SB 5576

As of February 14, 2011

Title: An act relating to capital construction and building purposes at the University of Washington and Washington State University.

Brief Description: Regarding capital construction and building purposes at the University of Washington and Washington State University.

Sponsors: Senators Kilmer, Zarelli, Tom and Shin; by request of University of Washington and Washington State University.

Brief History:

Committee Activity: Ways & Means: 2/15/11.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Maria Hovde (786-7710)

Background: Students attending state institutions of higher education may be charged, as a portion of their tuition, fees for specific services, including athletics, technology, services and activities, operating, and building fees. The building fee is between 3 and 5 percent of total tuition costs at the University of Washington and Washington State University. For the University of Washington, approximately 50 percent of the revenue collected from the building fees is deposited into the University of Washington Bond Retirement Fund and the remainder is deposited into the University of Washington Building Account. For Washington State University, approximately 50 percent of the revenue collected from the building fees is deposited into the Washington State University Bond Retirement Fund and the remainder is deposited into the Washington State University Building Account. The University of Washington Bond Retirement Fund and the Washington State University Bond Retirement Fund also receive revenues from the sale or lease of land or valuable materials on that land.

Both the University of Washington Bond Retirement Fund and the Washington State University Bond Retirement Fund are non-appropriated accounts and are used for the payment of debt service on bonds and remaining funds may be transferred to the building accounts. Both the University of Washington Building Account and the Washington State University Building Account are accounts that are appropriated by the Legislature and are used for erecting, altering, maintaining, equipping or furnishing buildings, and for certificates of participation.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill: The University of Washington Bond Retirement Fund and the Washington State University Bond Retirement Fund are eliminated and the University of Washington Building Account and the Washington State University Building Account are made local, non-appropriated accounts. The University of Washington Building Account and the Washington State University Building Account must continue to be used to fund high priority major and minor capital projects, including deferred maintenance, and other university building purposes.

University building purposes is defined to mean to pay or finance costs of acquiring, erecting, altering, maintaining, equipping, furnishing, or operating buildings, including payment of debt service on bonds and certificates of participation. University building purposes does not include auxiliary enterprise facility projects that have separate and distinct revenue sources, such as student housing, dining facilities, or athletic facilities.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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