

SENATE BILL REPORT

SB 5758

As Reported by Senate Committee On:
Ways & Means, February 25, 2011

Title: An act relating to improving management of dedicated accounts for comprehensive institutions of higher education.

Brief Description: Regarding management of dedicated accounts for comprehensive institutions of higher education.

Sponsors: Senators Kilmer, Zarelli, Tom, Holmquist Newbry, Kohl-Welles, Ericksen, Kastama, Schoesler and Shin.

Brief History:

Committee Activity: Ways & Means: 2/15/11, 2/25/11 [DPS].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5758 be substituted therefor, and the substitute bill do pass.

Signed by Senators Murray, Chair; Kilmer, Vice Chair, Capital Budget Chair; Zarelli, Ranking Minority Member; Parlette, Ranking Minority Member Capital; Baumgartner, Baxter, Brown, Conway, Fraser, Hatfield, Hewitt, Holmquist Newbry, Honeyford, Kastama, Keiser, Kohl-Welles, Pflug, Pridemore, Regala, Rockefeller, Schoesler and Tom.

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 2 and 4 percent of total tuition costs at Central Washington University, Eastern Washington University, The Evergreen State College, and Western Washington University. Revenue from these building fees, along with revenues from the sale or lease of normal school trust land or valuable materials on that land, is deposited into a capital projects account that is held separately at each institution. These accounts are known as the Central Washington University Capital Projects Account, Eastern Washington University Capital Projects Account, The Evergreen State College Capital Projects Account, and Western Washington University Capital Projects Account.

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.

Expenditures from the capital projects accounts are appropriated by the Legislature and are used for the payment of debt service on bonds and certificates of participation, building construction, maintenance, demolition and major alteration of buildings, other capital assets, and land acquisition.

Summary of Bill (Recommended Substitute): The Central Washington University Capital Projects Account, Eastern Washington University Capital Projects Account, The Evergreen State College Capital Projects Account, and Western Washington University Capital Projects Account are made local, non-appropriated accounts, and the universities are directed to support minor capital works and deferred maintenance at the same levels appropriated in the 2007-09 capital budget, adjusted annually by the rate of inflation as measured by the consumer price index.

The Central Washington University Capital Projects Account, Eastern Washington University Capital Projects Account, The Evergreen State College Capital Projects Account, and Western Washington University Capital Projects Account must not be used for auxiliary facilities and purposes.

The regional universities and The Evergreen State College must report by January 15 each year on the project level expenditures from the Central Washington University Capital Projects Account, Eastern Washington University Capital Projects Account, The Evergreen State College Capital Projects Account, and Western Washington University Capital Projects Account.

This act expires on June 30, 2023.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute): The regional universities and The Evergreen State College are directed to support minor capital works and deferred maintenance at the same levels appropriated in the 2007-09 capital budget, adjusted annually by the rate of inflation as measured by the consumer price index.

Clarifies that the Central Washington University Capital Projects Account, Eastern Washington University Capital Projects Account, The Evergreen State College Capital Projects Account, and Western Washington University Capital Projects Account must not be used for auxiliary facilities and purposes.

Requires the regional universities and The Evergreen State College to report by January 15 each year on the project level expenditures from the Central Washington University Capital Projects Account, Eastern Washington University Capital Projects Account, The Evergreen State College Capital Projects Account, and Western Washington University Capital Projects Account.

This act expires on June 30, 2023.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: This bill will streamline management of minor works projects and will preserve the relationship between where the money comes from and where the money is being spent – allowing for local direction of resources in order to be more nimble and responsive to the needs of the universities. In addition, this will provide a more clear and direct benefit to the students.

OTHER: Spending in the operating and capital budgets is linked. Caution should be taken when moving appropriated accounts into non-appropriated status.

Persons Testifying: PRO: Steve Dupont, Central Washington University; Steve Trotter, The Evergreen State College.

OTHER: Jim Crawford, Office of Financial Management.