



# LEGISLATIVE UPDATE

A Briefing for Faculty & Staff of the University System of Georgia No. 10, March 20, 2006

“Creating a More Educated Georgia”

## Capital Seed Fund, HOPE Amendment, Carry Forward and New Facilities Authority Bills Survive Crossover Day

Crossover Day, the 30<sup>th</sup> day of the Georgia General Assembly’s 40-day legislative session, came and went in a flurry of frenzied activity at the Capitol last Monday. Four bills of particular interest to the Board of Regents and the University System of Georgia met the crossover deadline by passing from one house to the other by the end of that long day.

The Senate adjourned at 6:30 p.m. on Crossover Day, but the House remained in session until 1:30 a.m., passing more than 50 bills before calling it a day.

Bills being followed by University System officials include an update to the Capital Seed Fund legislation, an amendment allowing students at *Georgia Gwinnett College* to qualify for HOPE fees, legislation creating the Georgia Higher Education Facilities Authority and a bill

allowing University System institutions to carry forward certain fees.

“All four pieces of legislation survived the cut-off date for passing from one house to the other and are now beginning to move through the committee process in the new chamber,” said **Thomas E. Daniel**, senior vice chancellor for external activities and facilities. “We will have a busy week as we prepare for the conclusion of the session.”

Here is a brief summary and update on each of the bills:

**House Bill 1305** updates the law governing the Capital Seed Fund. This fund is used by the Advanced Technology Development Center (ATDC) at Georgia Tech to attract private investors to companies incubating at the ATDC in Atlanta as well as a number of Innovation Centers around the state. HB 1305 provides transparency for poten-

tial investments by creating a limited-partnership vehicle for managing the funds. This bill also incorporates the Securities Exchange Commission’s requirements for the operation of capital seed funds.

The Senate Finance Committee is scheduled to meet Wednesday and may consider this bill at that time.

**House Bill 1294** extends the benefits afforded by prior legislation that has helped USG institutions to improve fiscal management, planning and the use of resources. The bill extends the sunset provision on Senate Bill 73 by two years, allowing institutions of the University System and the Department of Technical and Adult Education (DTAE) to “write off” certain uncollectible debts. The bill also allows campuses to more efficiently manage inventory by raising the threshold of items

to be inventoried to \$3,000.

Most importantly, HB 1294 spells out how USG and DTAE institutions may “carry forward” fees collected from activities such as indirect costs, continuing education fees, and technology fees.

This bill will be considered by the Senate Higher Education Committee at a meeting on Tuesday.

**Senate Bill 506** amends a current law capping the fees that HOPE covers. This amendment is needed so students at the new Georgia Gwinnett College will be eligible to receive HOPE funds for mandatory student fees. Georgia Gwinnett College did not exist on July 1, 2004, and therefore did not have a fee when the initial cap was put in place. Without this amendment, Georgia Gwinnett students will not

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## Four Bills

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be able to use HOPE to pay for mandatory fees.

The bill has passed the House Higher Education Committee and is in the House Rules committee, awaiting scheduling for a floor vote.

**Senate Bill 562** creates the Georgia Higher Education Facilities Authority, which will assist institutions with financing for revenue-generating projects such as dormitories, recreation centers and parking decks. By pooling financing instruments, the new authority will lower transaction costs, fees

and interest rates, thus easing the burden on students and other fee-paying customers of these facilities. This bill also provides oversight for financing these projects via a board appointed by the Governor and legislature.

Currently, the bill is being considered

by the House Higher Education Committee.

“Hopefully, we will be able to answer satisfactorily all the questions legislators have for us and these bills will continue to steadily progress through the General Assembly during this session,” Daniel said. 🏛️