

# SENATE BILL REPORT

## SHB 1001

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As Reported By Senate Committee On:  
Higher Education, February 20, 1995

**Title:** An act relating to expenditure requirements of institutions of higher education.

**Brief Description:** Exempting institutions of higher education from certain expenditure requirements.

**Sponsors:** House Committee on Higher Education (originally sponsored by Representatives Carlson, Sommers, Brumsickle, Jacobsen, Foreman, Silver, Schoesler, Kessler, Blanton, Morris, Dyer, Lisk, Van Luven, Ballasiotes, Reams, Horn, Sehlin, Chandler, Cooke, L. Thomas, B. Thomas, Scott, Tokuda, Benton, Costa, Delvin, Mason, Thompson, Beeksma, Brown, Backlund, Pennington, Mastin, Mitchell, Cole, Quall, Basich, Smith, Mulliken, Huff, Talcott and Chopp).

**Brief History:**

**Committee Activity:** Higher Education: 2/16/95, 2/20/95 [DP].

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### SENATE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** Do pass.

Signed by Senators Bauer, Chair; Kohl, Vice Chair; A. Anderson, Drew, McAuliffe, Prince, Sheldon and Wood.

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

**Background:** Under current law, any state general fund money that is unexpended at the end of a biennium must be returned to the general fund. In addition, by law, state agencies are required to create spending plans designed to use state and non-state money in a way that conserves the state money.

It is held that this law acts to prevent institutions of higher education from having the flexibility to carry forward nonappropriated funds, such as operating fees, from one biennium to another. The institutions would have the incentive to be more efficient if they had the freedom to better manage these funds.

**Summary of Bill:** The requirement that agencies spend appropriated and nonappropriated money in a way that conserves the appropriated money does not apply to state institutions of higher education.

**Appropriation:** None.

**Fiscal Note:** Requested on January 31, 1995.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** The idea comes from a task force recommendation that this would be a good business practice. This bill passed unanimously last session. The six four-year public institutions whole-heartedly support the bill. Summer session savings demonstrate the value this brings for institutional fiscal management. This is the missing piece to local tuition funds and is an incentive to good management. All of the community college presidents support the bill. Institutions need the additional flexibility.

**Testimony Against:** None.

**Testified:** Rep. Don Carlson; Terry Teale, Executive Director, COP; Steve Trotter, TESC; Valli Jo Fry, SBCTC; Jewell Manspeaker, President, GHCC.