

SENATE BILL REPORT

HB 2147

AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 25, 1994

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

SPONSORS: Representatives Carlson, Talcott, Wood, Chandler, Forner, Van Luven, Sehlin, Schoesler, B. Thomas and Cooke

HOUSE COMMITTEE ON HIGHER EDUCATION

HOUSE COMMITTEE ON APPROPRIATIONS

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass.

Signed by Senators Bauer, Chairman; Drew, Vice Chairman; Cantu, Prince, Sheldon and West.

Staff: Scott Huntley (786-7421)

Hearing Dates: February 22, 1994

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rinehart, Chairman; Anderson, Bauer, Bluechel, Cantu, Gaspard, Hargrove, Ludwig, Moyer, Owen, Pelz, Snyder, Spanel, Sutherland, Talmadge, West and Wojahn.

Staff: Michael Groesch (786-7715)

Hearing Dates: February 25, 1994

BACKGROUND:

Under current 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:

The requirement that agencies spend appropriated and non-appropriated money in a way that conserves the appropriated money does not apply to state institutions of higher education.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR (Higher Education):

This legislation creates an incentive for good fiscal management. By permitting institutions of higher education to spend appropriated funds first, they can save money from tuition and carry it over into the ensuing biennium. This management tool may also provide colleges with a mechanism to create a reserve fund from tuition that will assist them in their efforts to weather difficult fiscal periods.

TESTIMONY AGAINST (Higher Education): None

TESTIFIED (Higher Education): PRO: Terry Teale, Council of Presidents; Jennifer Jaech, The Evergreen State Council; Vallie Jo Fry, State Board for Community and Technical Colleges

TESTIMONY FOR (Ways & Means):

This bill provides the ability for higher education institutions to create efficiencies through better management of funds. It also takes away the disincentives to save funds for future costs.

TESTIMONY AGAINST (Ways & Means): None

TESTIFIED (Ways & Means): Representative Carlson; Terry Teale, Council of Presidents