

**SENATE BILL REPORT**

**SB 6362**

**AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 8, 1994**

**Brief Description:** Promoting efficiency at institutions of higher education.

**SPONSORS:** Senators Bauer, Prince, Winsley and Drew; by request of Office of Financial Management

**SENATE COMMITTEE ON HIGHER EDUCATION**

**Majority Report:** Do pass.

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

**Staff:** Scott Huntley (786-7421)

**Hearing Dates:** January 28, 1994; January 31, 1994

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** Do pass.

Signed by Senators Rinehart, Chairman; Quigley, Vice Chairman; Bauer, Bluechel, Cantu, Gaspard, Hargrove, Ludwig, McDonald, Moyer, Niemi, Pelz, Snyder, Spanel, Sutherland, Talmadge, West, Williams and Wojahn.

**Staff:** Michael Groesch (786-7715)

**Hearing Dates:** February 7, 1994; February 8, 1994

**BACKGROUND:**

Currently, multi-trade public works projects at state institutions of higher education in excess of \$25,000, and single-trade projects in excess of \$10,000 must be awarded through a formal sealed-bid process. It is maintained that the institutions are being asked to become more efficient and better utilize their existing resources. Increasing these bid limits, it is held, would provide the institutions with management tools that would serve this purpose.

In 1993 tuition was changed from an appropriated fund within the State Treasury to a non-appropriated local fund. This action made the expenditure of operating fees subject to the Budget and Accounting Act requirement that state agencies spend their appropriated and non-appropriated funds in such a manner so as to conserve appropriated moneys. This provision would act to prevent institutions from having the flexibility to carry forward operating fee moneys from one biennium to another. This flexibility was one of the main reasons behind the Legislature enacting the 1993 change in tuition accounts.

**SUMMARY:**

The bid limit for multi-trade public works projects at state institutions of higher education is increased from \$25,000 to \$50,000. The bid limit for single-trade public works projects at state institutions of higher education is increased from \$10,000 to \$25,000.

The operating fees collected at state institutions of higher education are exempt from the Budget and Accounting Act requirement to expend moneys in a ratio, between appropriated and non-appropriated funds, which will conserve appropriated funds. This will allow the institutions to carry forward operating fee revenues from biennium to biennium.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested January 20, 1994

**TESTIMONY FOR:**

Institutions are being asked to become more efficient and to better utilize their resources. It is important to provide the institutions with the necessary management tools to become more efficient. Allowing an institution to use their skilled staff to do minor maintenance projects up to a total cost of \$50,000 and providing a mechanism for the schools to carry forward operating budget savings increases operational flexibility and efficiency.

**TESTIMONY AGAINST:** None

**TESTIFIED (Higher Education):** PRO: Mike Bigelow, OFM; Terry Teale, Council of Presidents; Mary Marcy, Central Washington University; Scott Morgan, State Board for Community & Technical Colleges

**TESTIFIED (Ways & Means):** PRO: Mike Bigelow, OFM; Scott Morgan, State Board for Community & Technical Colleges