

SENATE BILL REPORT

SB 6500

As Reported By Senate Committee On:
Energy, Technology & Telecommunications, February 3, 2000

Title: An act relating to providing information services to public benefit nonprofit corporations.

Brief Description: Granting the department of information services the authority to provide services to nonprofit organizations.

Sponsors: Senators Brown and Rossi; by request of Department of Information Services.

Brief History:

Committee Activity: Energy, Technology & Telecommunications: 2/1/2000, 2/3/2000 [DPS].

SENATE COMMITTEE ON ENERGY, TECHNOLOGY & TELECOMMUNICATIONS

Majority Report: That Substitute Senate Bill No. 6500 be substituted therefor, and the substitute bill do pass.

Signed by Senators Brown, Chair; Goings, Vice Chair; Fairley and Fraser.

Staff: William Bridges (786-7424)

Background: The Department of Information Services (DIS) provides services, such as SCAN long distance service, to about 33 public benefit nonprofit organizations on a full cost recovery basis. Customers include the Life Center Donor Network in Bellevue and the Columbia Basin Home Health and Hospice in Moses Lake. DIS is not the only agency which provides services to such organizations. In 1994, the Legislature granted the Office of State Procurement the authority to permit public benefit nonprofit organizations to participate in state purchasing contracts.

Concerns have been raised that DIS, unlike the Office of State Procurement, may lack the statutory authority to provide services to public benefit nonprofit organizations. Therefore, DIS seeks a clarification of its powers and duties.

Summary of Substitute Bill: DIS is granted express authority to provide services to public benefit nonprofit organizations on a full cost recovery basis.

Substitute Bill Compared to Original Bill: A technical amendment was made.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: The bill will permit nonprofit corporations to benefit from the state's buying power.

Testimony Against: State agencies should not compete against private businesses. "Nonprofit" does not mean "not for loss." Nonprofit corporations are not accountable to the public and they are driven by self-interest like any other corporation.

Testified: Sam Hunt, DIS (pro); Paul Telford, Reform Party of Washington (con).