

# HOUSE BILL REPORT

## HB 1342

---

---

**As Reported by House Committee On:**  
Appropriations

**Title:** An act relating to consolidating funds within the general administration services account.

**Brief Description:** Modifying provisions concerning the general administration services account.

**Sponsors:** Representatives H. Sommers, Sehlin, Kenney, Lisk and Alexander; by request of Department of General Administration.

**Brief History:**

**Committee Activity:**

Appropriations: 2/8/01, 2/15/01 [DPS].

**Brief Summary of Substitute Bill**

- Incorporates the Energy Efficiency Services Account into the General Administration Services Account;
- Removes the requirement that energy efficiency services be subject to appropriation; and
- Removes the requirement that purchasing and contract administration activities be subject to appropriation.
- Requires all funds in the General Administration Services Account to be allotted.

---

### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 30 members: Representatives Sehlin, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Barlean, Republican Vice Chair; Doumit, Democratic Vice Chair; Lisk, Republican Vice Chair; Alexander, Benson, Boldt, Clements, Cody, Cox, Dunshee, Fromhold, Gombosky, Grant, Kagi, Keiser, Kenney, Kessler, Lambert, Linville, Mastin, McIntire, Mulliken, Pearson, Pflug, Ruderman, Schual-Berke, Talcott and Tokuda.

**Staff:** Linda Brooks (786-7153).

**Background:**

Purchasing and Contract Administration.

The Department of General Administration (GA) has an Office of State Procurement. This office operates three programs: (1) purchasing and contract administration; (2) central stores; and (3) state and federal surplus property. Activities of the office are supported by the General Services Administration Account, and do not require an appropriation, with the exception of purchasing and contract administration, which are appropriated.

The purchasing and contract administration program negotiates contracts for goods and services with vendors. Once these contracts are negotiated, state agencies, institutions of higher education, political subdivisions, and qualified non-profit organizations are able to purchase goods and services under the contracts.

The GA receives revenues from two sources to cover expenses associated with purchasing and contract administration. First, state agencies and institutions of higher education pay 1.5 percent of their total dollar usage of state contracts to the GA. Second, participating political subdivisions and non-profit organizations pay annual subscription fees to the GA. These fees are deposited in the General Administration Services Account.

Since purchasing and contract administration is an activity subject to appropriation, the GA cannot spend more on the purchasing and contract administration program than is appropriated by the Legislature.

Energy Efficiency Services.

Public agencies must conduct energy life cycle cost analyses (ELCCA) of their facilities. Any public agency may contract with the GA for ELCCA services, but school districts are required to contract with the GA for ELCCA services for any new construction project greater than 25,000 sq. ft. or any remodeling project greater than 50 percent of the replacement value of a facility. School districts and public agencies pay the GA a flat \$2,000 fee for each ELCCA analysis conducted.

Fees paid by school districts and other public agencies for ELCCA services are deposited into the Energy Efficiency Services Account. The Energy Efficiency Services Account is an appropriated account, so the GA's expenditures on ELCCA services cannot exceed the appropriated level in any fiscal period.

Allotment.

An allotment is a distribution of a biennial appropriation or budgeted amount to specific months and fiscal years. The Office of Financial Management reviews and approves an agency's allotment of funds.

---

**Summary of Substitute Bill:**

Purchasing and Contract Administration.

The requirement that purchasing and contract administration activities be subject to appropriation is removed. The director of the GA may authorize expenditures for these activities from the General Administration Services Account.

Energy Efficiency Services.

The Energy Efficiency Services Account is eliminated. Fees paid by school districts and other public agencies for ELCCA services will be deposited into the General Administration Services Account. The GA will draw upon the ELCCA fee revenues deposited into the General Administration Services Account to pay for its costs in providing the ELCCA analysis services. The GA's expenditures in providing the ELCCA services will no longer be subject to appropriation.

Allotment.

All expenditures from the General Administrative Services Account are subject to allotment.

**Substitute Bill Compared to Original Bill:**

All expenditures from the General Administration Services Account are subject to allotment. All statutory references to the Energy Efficiency Services Account are replaced with references to the General Administration Services Account.

---

**Appropriation:** None.

**Fiscal Note:** Not Requested.

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

**Testimony For:** In 1998 House Bill 2394 consolidated several accounts into the General Administration Services Account. This bill would continue that process and streamline recordkeeping, eliminate duplicate reporting, and reduce accounting time.

**Testimony Against:** None.

**Testified:** Ron McQueen, Department of General Administration.