

SSB 6409 - H COMM AMD

By Committee on Higher Education

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 28B.10.027 and 2005 c 36 s 3 are each amended to  
4 read as follows:

5 (1) All universities and colleges shall allocate as a  
6 nondeductible item, out of any moneys appropriated for the original  
7 construction or any major renovation or remodel work exceeding two  
8 hundred thousand dollars of any building, an amount of one-half of  
9 one percent of the construction appropriation to be expended by the  
10 Washington state arts commission with the approval of the board of  
11 regents or trustees for the acquisition of works of art.

12 (2) An institution of higher education, working with the  
13 Washington arts commission, may expend up to ten percent of the  
14 projected art allocation for a project during the design phase in  
15 order to select an artist and design art to be integrated in the  
16 building design. The one-half of one percent to be expended by the  
17 Washington arts commission shall be adjusted downward by the amount  
18 expended by a university or college during the design phase of the  
19 capital project.

20 (3) The works of art may be placed on public lands of  
21 institutions of higher education, integral to or attached to a public  
22 building or structure of institutions of higher education, detached  
23 within or outside a public building or structure of institutions of  
24 higher education, part of a portable exhibition or collection, part  
25 of a temporary exhibition, or loaned or exhibited in other public  
26 facilities.

27 (4) In addition to the cost of the works of art, the one-half of  
28 one percent of the appropriation shall be used to provide for the  
29 administration of the visual arts program, including conservation of  
30 the state art collection, by the Washington state arts commission and  
31 all costs for installation of the work of art. For the purpose of

1 this section building shall not include sheds, warehouses, and other  
2 buildings of a temporary nature.

3 **Sec. 2.** RCW 28B.10.029 and 2015 c 79 s 1 are each amended to  
4 read as follows:

5 (1)(a) An institution of higher education may, consistent with  
6 RCW 28B.10.925 and 28B.10.926, exercise independently those powers  
7 otherwise granted to the director of enterprise services in chapters  
8 43.19 and 39.26 RCW in connection with the purchase and disposition  
9 of all material, supplies, services, and equipment needed for the  
10 support, maintenance, and use of the respective institution of higher  
11 education.

12 (b) Property disposition policies followed by institutions of  
13 higher education shall be consistent with policies followed by the  
14 department of enterprise services.

15 (c)(i) Except as provided in (c)(ii) and (iii) of this subsection  
16 and elsewhere as provided by law, purchasing policies and procedures  
17 followed by institutions of higher education shall be in compliance  
18 with chapters 39.19, 39.26, and 43.03 RCW, and RCW 43.19.1917,  
19 43.19.685, and 43.19.560 through 43.19.637.

20 (ii) Institutions of higher education may use all appropriate  
21 means for making and paying for travel arrangements including, but  
22 not limited to, electronic booking and reservations, advance payment  
23 and deposits for tours, lodging, and other necessary expenses, and  
24 other travel transactions based on standard industry practices and  
25 federal accountable plan requirements. Such arrangements shall  
26 support student, faculty, staff, and other participants' travel, by  
27 groups and individuals, both domestic and international, in the most  
28 cost-effective and efficient manner possible, regardless of the  
29 source of funds.

30 (iii) Formal sealed, electronic, or web-based competitive bidding  
31 is not necessary for purchases or personal services contracts by  
32 institutions of higher education for less than one hundred thousand  
33 dollars. However, for purchases and personal services contracts of  
34 ten thousand dollars or more and less than one hundred thousand  
35 dollars, quotations must be secured from at least three vendors to  
36 assure establishment of a competitive price and may be obtained by  
37 telephone, electronic, or written quotations, or any combination  
38 thereof. As part of securing the three vendor quotations,  
39 institutions of higher education must invite at least one quotation

1 each from a certified minority and a certified woman-owned vendor  
2 that otherwise qualifies to perform the work. A record of competition  
3 for all such purchases and personal services contracts of ten  
4 thousand dollars or more and less than one hundred thousand dollars  
5 must be documented for audit purposes.

6 (d) Purchases under chapter 39.26, 43.19, or 43.105 RCW by  
7 institutions of higher education may be made by using contracts for  
8 materials, supplies, services, or equipment negotiated or entered  
9 into by, for, or through group purchasing organizations.

10 (e) The community and technical colleges shall comply with RCW  
11 43.19.450.

12 (f) Except for the University of Washington, institutions of  
13 higher education shall comply with RCW 43.19.769, 43.19.763, and  
14 43.19.781.

15 (g) If an institution of higher education can satisfactorily  
16 demonstrate to the director of the office of financial management  
17 that the cost of compliance is greater than the value of benefits  
18 from any of the following statutes, then it shall be exempt from  
19 them: RCW 43.19.685 and 43.19.637.

20 ~~((h) Any institution of higher education that chooses to  
21 exercise independent purchasing authority for a commodity or group of  
22 commodities shall notify the director of enterprise services.  
23 Thereafter the director of enterprise services shall not be required  
24 to provide those services for that institution for the duration of  
25 the enterprise services contract term for that commodity or group of  
26 commodities.))~~

27 (2) The council of presidents and the state board for community  
28 and technical colleges shall convene its correctional industries  
29 business development advisory committee, and work collaboratively  
30 with correctional industries, to:

31 (a) Reaffirm purchasing criteria and ensure that quality,  
32 service, and timely delivery result in the best value for expenditure  
33 of state dollars;

34 (b) Update the approved list of correctional industries products  
35 from which higher education shall purchase; and

36 (c) Develop recommendations on ways to continue to build  
37 correctional industries' business with institutions of higher  
38 education.

39 (3) Higher education and correctional industries shall develop a  
40 plan to build higher education business with correctional industries

1 to increase higher education purchases of correctional industries  
2 products, based upon the criteria established in subsection (2) of  
3 this section. The plan shall include the correctional industries'  
4 production and sales goals for higher education and an approved list  
5 of products from which higher education institutions shall purchase,  
6 based on the criteria established in subsection (2) of this section.  
7 Higher education and correctional industries shall report to the  
8 legislature regarding the plan and its implementation no later than  
9 January 30, 2005.

10 (4)(a) Institutions of higher education shall set as a target to  
11 contract, beginning not later than June 30, 2006, to purchase one  
12 percent of the total goods and services required by the institutions  
13 each year produced or provided in whole or in part from class II  
14 inmate work programs operated by the department of corrections.  
15 Institutions of higher education shall set as a target to contract,  
16 beginning not later than June 30, 2008, to purchase two percent of  
17 the total goods and services required by the institutions each year  
18 produced or provided in whole or in part from class II inmate work  
19 programs operated by the department of corrections.

20 (b) Institutions of higher education shall endeavor to assure the  
21 department of corrections has notifications of bid opportunities with  
22 the goal of meeting or exceeding the purchasing target in (a) of this  
23 subsection.

24 **Sec. 3.** RCW 39.26.110 and 2012 c 224 s 12 are each amended to  
25 read as follows:

26 (1) The department must provide expertise and training on best  
27 practices for state procurement.

28 (2) The department must establish either training or  
29 certification programs, or both, to ensure consistency in procurement  
30 practices for employees authorized to perform procurement functions  
31 under the provisions of this chapter. When establishing training or  
32 certification programs, the department may approve existing training  
33 or certification programs at state agencies. When establishing  
34 programs or approving existing programs, the department shall work  
35 with agencies with existing training programs to ensure coordination  
36 and minimize additional costs associated with training requirements.

37 (3) Beginning July 1, 2013, state agencies must require agency  
38 employees responsible for developing, executing, or managing  
39 procurements or contracts, or both, to complete department-approved

1 training or certification programs, or both. Beginning July 1, 2015,  
2 no agency employee may execute or manage contracts unless the  
3 employee has met the training or certification requirements or both  
4 as set by the department. Any request for exception to this  
5 requirement must be submitted to the director for approval before the  
6 employee or group of employees executes or manages contracts.

7 (4) Notwithstanding subsections (1) through (3) of this section,  
8 institutions of higher education may develop independent training or  
9 certification programs, or both, to ensure consistency in procurement  
10 practices for employees authorized to perform procurement functions  
11 under applicable state and federal laws. Each institution of higher  
12 education exercising its authority to develop independent training or  
13 certification programs must require employees responsible for  
14 developing, executing, or managing procurements or contracts, or  
15 both, to complete such training or certification program.

16 **Sec. 4.** RCW 42.48.010 and 2007 c 17 s 6 are each amended to read  
17 as follows:

18 For the purposes of this chapter, the following definitions  
19 apply:

20 (1) "Individually identifiable" means that a record contains  
21 information which reveals or can likely be associated with the  
22 identity of the person or persons to whom the record pertains.

23 (2) "Legally authorized representative" means a person legally  
24 authorized to give consent for the disclosure of personal records on  
25 behalf of a minor or a legally incompetent adult.

26 (3) "Personal record" means any information obtained or  
27 maintained by a state agency which refers to a person and which is  
28 declared exempt from public disclosure, confidential, or privileged  
29 under state or federal law.

30 (4) "Research" means a planned and systematic sociological,  
31 psychological, epidemiological, biomedical, or other scientific  
32 investigation carried out by a state agency, by a scientific research  
33 professional associated with a bona fide scientific research  
34 organization, or by a graduate student currently enrolled in an  
35 advanced academic degree curriculum, with an objective to contribute  
36 to scientific knowledge, the solution of social and health problems,  
37 or the evaluation of public benefit and service programs. This  
38 definition excludes methods of record analysis and data collection

1 that are subjective, do not permit replication, and are not designed  
2 to yield reliable and valid results.

3 (5) "Research record" means an item or grouping of information  
4 obtained for the purpose of research from or about a person or  
5 extracted for the purpose of research from a personal record.

6 (6) "State agency" means: (a) The department of social and health  
7 services; (b) the department of corrections; (c) ~~((an institution of~~  
8 ~~higher education as defined in RCW 28B.10.016;~~ ~~(d))~~ the department  
9 of health; or ~~((e))~~ (d) the department of early learning.

10 **Sec. 5.** RCW 43.88.110 and 2014 c 162 s 4 are each amended to  
11 read as follows:

12 This section sets forth the expenditure programs and the  
13 allotment and reserve procedures to be followed by the executive  
14 branch for public funds.

15 (1) Allotments of an appropriation for any fiscal period shall  
16 conform to the terms, limits, or conditions of the appropriation.

17 (2) The director of financial management shall provide all  
18 agencies with a complete set of operating and capital instructions  
19 for preparing a statement of proposed expenditures at least thirty  
20 days before the beginning of a fiscal period. The set of instructions  
21 need not include specific appropriation amounts for the agency.

22 (3) Within forty-five days after the beginning of the fiscal  
23 period or within forty-five days after the governor signs the omnibus  
24 biennial appropriations act, whichever is later, all agencies shall  
25 submit to the governor a statement of proposed expenditures at such  
26 times and in such form as may be required by the governor.

27 (4) The office of financial management shall develop a method for  
28 monitoring capital appropriations and expenditures that will capture  
29 at least the following elements:

30 (a) Appropriations made for capital projects including  
31 transportation projects;

32 (b) Estimates of total project costs including past, current,  
33 ensuing, and future biennial costs;

34 (c) Comparisons of actual costs to estimated costs;

35 (d) Comparisons of estimated construction start and completion  
36 dates with actual dates;

37 (e) Documentation of fund shifts between projects.

1 This data may be incorporated into the existing accounting system  
2 or into a separate project management system, as deemed appropriate  
3 by the office of financial management.

4 (5) The office of financial management, prior to approving  
5 allotments for major capital construction projects valued over five  
6 million dollars, with the exception of projects at institutions of  
7 higher education as defined in RCW 28B.10.016, which may be valued up  
8 to ten million dollars, shall institute procedures for reviewing such  
9 projects at the predesign stage that will reduce long-term costs and  
10 increase facility efficiency. The procedures shall include, but not  
11 be limited to, the following elements:

12 (a) Evaluation of facility program requirements and consistency  
13 with long-range plans;

14 (b) Utilization of a system of cost, quality, and performance  
15 standards to compare major capital construction projects; and

16 (c) A requirement to incorporate value-engineering analysis and  
17 constructability review into the project schedule.

18 (6) No expenditure may be incurred or obligation entered into for  
19 such major capital construction projects including, without  
20 exception, land acquisition, site development, predesign, design,  
21 construction, and equipment acquisition and installation, until the  
22 allotment of the funds to be expended has been approved by the office  
23 of financial management. This limitation does not prohibit the  
24 continuation of expenditures and obligations into the succeeding  
25 biennium for projects for which allotments have been approved in the  
26 immediate prior biennium.

27 (7) Minor works projects, as defined by the office of financial  
28 management, may be valued up to three million dollars for  
29 institutions of higher education as defined in RCW 28B.10.016.

30 (8) If at any time during the fiscal period the governor projects  
31 a cash deficit in a particular fund or account as defined by RCW  
32 43.88.050, the governor shall make across-the-board reductions in  
33 allotments for that particular fund or account so as to prevent a  
34 cash deficit, unless the legislature has directed the liquidation of  
35 the cash deficit over one or more fiscal periods. Except for the  
36 legislative and judicial branches and other agencies headed by  
37 elective officials, the governor shall review the statement of  
38 proposed operating expenditures for reasonableness and conformance  
39 with legislative intent. The governor may request corrections of  
40 proposed allotments submitted by the legislative and judicial

1 branches and agencies headed by elective officials if those proposed  
2 allotments contain significant technical errors. Once the governor  
3 approves the proposed allotments, further revisions may at the  
4 request of the office of financial management or upon the agency's  
5 initiative be made on a quarterly basis and must be accompanied by an  
6 explanation of the reasons for significant changes. However, changes  
7 in appropriation level authorized by the legislature, changes  
8 required by across-the-board reductions mandated by the governor,  
9 changes caused by executive increases to spending authority, and  
10 changes caused by executive decreases to spending authority for  
11 failure to comply with the provisions of chapter 36.70A RCW may  
12 require additional revisions. Revisions shall not be made  
13 retroactively. However, the governor may assign to a reserve status  
14 any portion of an agency appropriation withheld as part of across-  
15 the-board reductions made by the governor and any portion of an  
16 agency appropriation conditioned on a contingent event by the  
17 appropriations act. The governor may remove these amounts from  
18 reserve status if the across-the-board reductions are subsequently  
19 modified or if the contingent event occurs. The director of financial  
20 management shall enter approved statements of proposed expenditures  
21 into the state budgeting, accounting, and reporting system within  
22 forty-five days after receipt of the proposed statements from the  
23 agencies. If an agency or the director of financial management is  
24 unable to meet these requirements, the director of financial  
25 management shall provide a timely explanation in writing to the  
26 legislative fiscal committees.

27 ~~((+8))~~ (9) It is expressly provided that all agencies shall be  
28 required to maintain accounting records and to report thereon in the  
29 manner prescribed in this chapter and under the regulations issued  
30 pursuant to this chapter. Within ninety days of the end of the fiscal  
31 year, all agencies shall submit to the director of financial  
32 management their final adjustments to close their books for the  
33 fiscal year. Prior to submitting fiscal data, written or oral, to  
34 committees of the legislature, it is the responsibility of the agency  
35 submitting the data to reconcile it with the budget and accounting  
36 data reported by the agency to the director of financial management.

37 ~~((+9))~~ (10) The director of financial management may exempt  
38 certain public funds from the allotment controls established under  
39 this chapter if it is not practical or necessary to allot the funds.  
40 Allotment control exemptions expire at the end of the fiscal biennium



1 for which they are granted. The director of financial management  
2 shall report any exemptions granted under this subsection to the  
3 legislative fiscal committees."

4 Correct the title.

EFFECT: Changes the threshold limit for minor works projects from  
\$5 million to \$3 million.

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