
Higher Education Committee

HB 2755

Brief Description: Creating administrative efficiencies for institutions of higher education.

Sponsors: Representatives Zeiger, Pollet, Haler, Springer, Muri and Hickel; by request of Council of Presidents.

Brief Summary of Bill

- Adopts various efficiency measures identified by the Council of Presidents for institutions of higher education, including provisions on: (1) minor works projects and cost estimates; (2) procurement and contracting requirements; (3) art in public places; and (4) records for research.

Hearing Date: 2/2/16

Staff: Trudes Tango (786-7384).

Background:

Capital budget requests.

The capital budget includes appropriations for the construction and repair of institutions of higher education and other capital facilities and programs.

Minor works appropriations in the capital budget are lump sum appropriations to cover smaller preservation and programmatic projects that are similar in nature and cost less than \$1 million for most state agencies or less than \$2 million for higher education institutions. Typically minor works projects are completed within one biennium. Agencies must file minor works lists and requested revisions with the Office of Financial Management (OFM), the House Capital Budget Committee, and the Senate Ways and Means Committee.

Cost estimates are decision-making tools that must be submitted to the OFM in the biennial capital budget development process for all major capital projects that exceed \$5 million. Cost estimates provide detailed information regarding estimated costs for such project components as

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acquisition, consultant services, construction, equipment, and project management. These detailed cost estimates are used to make funding decisions in developing the capital budget.

A predesign study is another decision-making tool that is required for all capital projects that exceed \$5 million. The predesign project threshold limit for higher education capital projects was increased from \$5 million to \$10 million in the 2014 capital budget (Chapter 162, Laws of 2014).

Art in Public Places.

The Art in Public Places program, also known as the "one-half of one percent program," is administered by the Washington State Arts Commission (AC). State agencies and public schools must allocate one-half of one percent (0.5%) of any moneys appropriated for original construction, and higher education institutions must allocate one-half of one percent of moneys appropriated for original construction or major renovation projects costing more than \$200,000. The funds generated from the program are set aside for the acquisition of new artwork through the Arts Commission. Works of art purchased through the program are generally displayed within the building project or nearby grounds of the project that generated the funding.

Procurement and purchasing.

The Department of Enterprise Services (DES) establishes rules and requirements for the purchasing activities of all state agencies, including the institutions of higher education. Generally, agencies must follow rules on competitive bidding, reporting, and training.

Exceptions to the general rules on competitive bidding are made for certain contracts, including "sole source" contracts. "Sole source" means a contractor providing goods or services of such a unique nature or sole availability at the location required that the contractor is clearly and justifiably the only practicable source to provide the goods or services. Sole source contracts must be approved by the DES. Agencies must submit sole source contracts to the DES at least 10 working days prior to the proposed starting date of the contract, along with documented justification for the sole source contract.

Institutions of higher education may choose to manage competitive purchasing procedures independent of the DES purchasing procedures for commodities. Institutions that exercise independent purchasing authority must notify the DES and the DES is not required to provide those services for the institution for the duration of the DES contract term for that commodity.

Employees in charge of procurement within the agencies must receive training. The DES oversees the training and certification program for procurement and contracting.

Research records.

Various state and federal laws govern the release of records containing individual identifying information. For the purposes of releasing records for research, state law allows agencies to give a researcher access to individual identifying records without consent of the individual only if certain requirements are met. The requirements include the researcher signing a confidentiality agreement and the agency reviewing the purpose of the request and determining whether the research can be reasonably accomplished without disclosure of individually identifying information.

Summary of Bill:

Capital Budget requests.

The threshold limit for cost estimates for major capital projects at institutions of higher education is increased from \$5 million to \$10 million. This makes the threshold amount consistent with that of the predesign studies of major capital projects.

The minor works project threshold for higher education institutions is raised from \$2 million to \$5 million.

Art in Public Places.

An institution of higher education may expend up to 10 percent of the one-half of one percent during the design phase of a project, in order to integrate the art in the building design. The one-half of one percent to be expended by the Arts Commission must be adjusted downward by the amount expended by the institution during the design phase of the project.

Procurement and contracting.

Institutions of higher education that exercise independent purchasing authority for commodities are not required to notify the DES.

The institutions may develop independent training or certification programs, or both, to ensure consistency in procurement practices. Each institution exercising its authority to develop independent training or certification must require employees responsible for procurement to complete the training or certification program.

Institutions of higher education are not required to submit sole source contracts to the DES.

Research records.

Institutions of higher education are exempted from the laws governing the release of individually identifying records for research purposes.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.