

# SENATE BILL REPORT

## SSB 5081

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As Amended by House, April 15, 2015

**Title:** An act relating to increasing transparency of state government expenditures related to state employees, state vendors and other public entities.

**Brief Description:** Increasing transparency of state government expenditures related to state employees, state vendors and other public entities.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Miloscia, Hill, Bailey, Becker and Dammeier).

**Brief History:**

**Committee Activity:** Ways & Means: 1/13/15, 1/15/15 [DPS].

Passed Senate: 1/30/15, 48-0.

Passed House: 4/15/15, 97-1.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 5081 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hill, Chair; Braun, Vice Chair; Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Ranking Minority Member, Operating; Bailey, Becker, Billig, Brown, Conway, Fraser, Hasegawa, Hewitt, Kohl-Welles, O'Ban, Padden, Parlette, Rolfes, Schoesler and Warnick.

**Staff:** Julie Murray (786-7711)

**Background:** A collective bargaining agreement (CBA) is a legal contract between employers and employees which regulates the terms and conditions of employees in their workplace, their duties, and the duties of the employer. The Office of Financial Management (OFM) is the Governor's designee for negotiating CBAs with exclusive bargaining representatives of state agency employees. For institutions of higher education, the respective governing board of each institution or its designee, which may be the Governor's designee, negotiates CBAs with the exclusive bargaining representatives of its employees.

OFM's Facilities Oversight Program was established by the Legislature in 2007 to oversee real estate procurement and management. OFM must maintain an inventory system to

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account for all owned or leased facilities utilized by state government, which is updated annually.

The Department of Enterprise Services was established in 2011 and is responsible for policy development and oversight of the procurement of goods and services by all state agencies.

The Legislative Evaluation and Accountability Program (LEAP) Committee was established in 1977 to be the Legislature's independent source of information and technology. LEAP provides fiscal information and technology for developing budgets and communicating budget decisions, and tracking revenue, expenditure, and staffing activity.

**Summary of Substitute Bill:** OFM must maintain a website to post copies of all CBAs requiring funding by the Legislature. CBAs must be posted within 60 days of implementation. Additionally OFM must create a summary of each CBA to post on the website.

OFM must prepare and post to a website summary information of the compensation and fringe benefits for employees at executive branch agencies, excluding institutions of higher education, who are members of Washington Management Services or employees exempt from civil service.

DES must maintain websites of:

- all sole source contracts proposed by state agencies to enable inspection prior to entering into the contract;
- all current contract opportunities on the state's enterprise vendor registration and bid notification system without requiring registration as a vendor or other entity within the electronic system;
- all contractors currently debarred by the director; and
- a list of all contracts entered into or renewed by state agencies during the prior fiscal year.

State agencies and educational institutions must report their compliance with minority and women-owned business contracting goals to the Office of Minority and Women's Business Enterprises and the information must be posted to a website. State agencies must report performance-based incentives, bonuses, or awards paid under contract to contractors during each fiscal year to DES and a list of such payments must be posted to a website.

LEAP must incorporate OFM's facility inventory and its Performance-Based Incentives and Recognition Report into the state expenditure information website. LEAP, in collaboration with DES, must establish a state contracting website directing the public to existing databases and websites for current contracting opportunities, sole source contracts, debarred contractors, the inventory of state agency contracts entered into or renewed, compliance with minority and women-owned business contracting goals, performance-based incentives, bonuses or awards paid under contract, and other public contracting information.

The Administrative Office of the Courts, Secretary of State, and selected state agencies must provide to LEAP by September 30 of each year the amount of state funds distributed or expended for local governments and other entities for certain programs and expenditures.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony on Original Bill:** PRO: The public has an increased expectation of available data. This bill will improve public input and trust. We support giving decision makers increased and easier access to data on government spending. There is particularly support for increased disclosure of sole source contract proposals. While all of this information is theoretically public, you need to make a request for the information, wait for a response, and pay for copies. This bill will be helpful by eliminating that process to obtain the information in the bill.

OTHER: There are concerns with subsection (2) of section 1 that relates to collective bargaining agreement summaries. The summaries may contain information outside the agreement or not subject to bargaining. This could be a large administrative burden. The dues deduction portion is a concern. We do not know how items will be described. We do not want information about specific employees disclosed in the summaries.

**Persons Testifying:** PRO: Paul Guppy, WA Policy Center; Amber Carter, Assn. of WA Business; Arthur West, citizen.

OTHER: Alia Griffing, WA Federation of State Employees; Vince Oliveri, Legislative Director, Professional and Technical Employees Local 17.

**House Amendment(s):** Removes the requirement that OFM prepare summaries of collective bargaining agreements and post the summaries on its website. Requires OFM's education data center to post on its data dashboard actual expenditure records of each institution of higher education. Each institution of higher education must submit these records to the education data center within 90 days of adopting its budget.

Requires DES to post on its website changes to any existing contract that increases the scope of work or cost. Additionally, all cost and efficiency information leading to contracting out of services previously performed by state employees.