

SENATE BILL REPORT

SB 6409

As of February 10, 2016

Title: An act relating to administrative efficiencies in Washington state public higher education.

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

Sponsors: Senators Bailey, Frockt, Braun, Becker, Carlyle and Chase; by request of Council of Presidents.

Brief History:

Committee Activity: Higher Education: 2/02/16, 2/04/16 [DPA-WM, DNP].
Ways & Means: 2/08/16.

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Bailey, Chair; Baumgartner, Vice Chair; Frockt, Ranking Member; Becker, Carlyle and Liias.

Minority Report: Do not pass.

Signed by Senator Miloscia.

Staff: Clint McCarthy (786-7319)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Richard Ramsey (786-7412)

Background: Institutions of higher learning in the state of Washington include public four-year institutions and community and technical colleges. These institutions are subject to many of the same oversight statutes that state agencies are subject to. The Department of Enterprise Services (DES) and the Office of Financial Management (OFM) are the state agencies charged with monitoring the budgeting and procurement policies for state agencies, which include the institutions of higher learning.

Summary of Bill (Recommended Amendments): Statutes are amended to make the following changes:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

- Clarifies that the percentage of funding set aside for artwork as part of a capital construction project at institutions of higher learning with a budget of more than \$200,000 is 0.5 percent of the construction appropriation - rather than the whole appropriation. Institutions are provided authority to spend 10 percent of the projected art allocation for a project during the design phase.
- Removes language that requires institutions of higher learning to notify the DES when the institution wants to exercise independent purchasing authority for a commodity or a group of commodities, as well as the requirement to have the DES provide services for the institution moving forward.
- Clarifies that institutions of higher education may develop independent training or certification programs to ensure consistency in procurement practices for employees authorized to perform procurement functions under applicable state and federal laws.
- Clarifies the definition of "state agency" in RCW 42.48.010 by removing institutions of higher education.
- Modifies the requirements for submitting a biennial budget request to the OFM by increasing the threshold for capital projects from \$5 million to \$10 million for institutions of higher education before having to itemize the cost of construction components.
- Raises the threshold for minor works from \$2 million to \$5 million for institutions of higher education.

EFFECT OF CHANGES MADE BY HIGHER EDUCATION COMMITTEE (Recommended Amendments): Restores the requirement for institutions of higher learning to report and justify sole source contracts to DES. Restores the requirement for institutions of higher learning to annually submit a list of all contracts the institutions have entered into or have had renewed.

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 (Higher Education): PRO: Creating this bill has been a multi biennial process. It has been developed in a bipartisan effort. The efficiencies will result in less time being spent on reporting requirements. This will help streamline the capital budgeting processes. The construction caps were set in the 1990s and need to be updated for inflation. Inflation has resulted in many minor works projects having to go through a lengthy procurement process.

CON: Eliminating reporting requirements removes transparency and the public's right to know how much the state universities are paying for goods and services in sections 4,5, and 7.

Persons Testifying on Original Bill (Higher Education): PRO: Cody Eccles, Council of Presidents; John Hurley, The Evergreen State College; Maddy Thompson, Washington Student Achievement Council.

CON: Alia Griffing, WA Federation of State Employees.

Persons Signed In To Testify But Not Testifying on Original Bill: No one.

Staff Summary of Public Testimony (Ways & Means): PRO: It makes sense to incorporate the art projects into the design process. This can prove constructive for artists, the Art Commission and the higher education institution.

The minor works threshold has not been adjusted since 1997. The Council of Presidents has been working with the Office of Financial Management and recommends deleting the changes to the threshold for preparing detailed cost estimates for projects.

Persons Testifying (Ways & Means): PRO: Karen Hanan, WA State Arts Commission; Cody Eccles, Council of Presidents

Persons Signed In To Testify But Not Testifying: No one.