

HOUSE BILL REPORT

HB 1394

As Reported by House Committee On:
Higher Education

Title: An act relating to efficiencies and savings in higher education.

Brief Description: Enacting the college efficiency and savings act.

Sponsors: Representatives Probst, Harris, Jacks, Rivers, Moeller, Orcutt, Reykdal and Frockt.

Brief History:

Committee Activity:

Higher Education: 1/31/11, 2/9/11 [DPS].

Brief Summary of Substitute Bill

- Lifts restrictions on higher education institutions with respect to meetings, personal services contracts, equipment purchases, out-of-state travel, and hiring.
- Allows institutions to grant wage or salary increases to critical academic personnel as needed for retention purposes where the loss of such personnel would be likely to result in a loss of grant or other funding and the increases are not funded from state funds.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Seaquist, Chair; Carlyle, Vice Chair; Haler, Ranking Minority Member; Buys, Crouse, Fagan, Jacks, Probst, Reykdal and Zeiger.

Minority Report: Do not pass. Signed by 1 member: Representative Hasegawa.

Staff: Cece Clynch (786-7195).

Background:

Restrictions Regarding Meeting Space.

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.

There are five types or categories of boards and commissions, referred to as Class One through Class Five. In 2010 at the same time as several boards and commissions were eliminated, the Legislature imposed certain cost-saving measures on the remaining boards and commissions of all classes. One such measure has to do with the location of meetings. When feasible, boards and commissions are to use a meeting format that requires members to be physically present at one location only when necessary or required by law. Meetings that require members' physical presence must be held in state facilities whenever possible, and meetings conducted in private facilities must be approved by the Director of the Office of Financial Management (OFM).

These measures are effective July 1, 2010, through June 30, 2011. In Engrossed Substitute House Bill 1086, which has passed the House of Representatives and is awaiting action in the Senate, the requirement that meetings conducted using private facilities receive OFM approval has been modified to only require such approval if there is a charge for use of the private facility.

Restrictions Upon Personal Services Contracts.

Beginning in 2010 and effective until July 1, 2011, restrictions have been imposed upon personal services contracts. Unless related to an emergency or catastrophic event, all state agencies are prohibited from entering into personal services contracts for the acquisition of personal services. There are some enumerated exceptions, including personal services contracts by institutions of higher education, where the costs are not funded from state funds or tuition.

Restrictions Upon Equipment Purchases Exceeding \$5,000.

Beginning in 2010 and effective until July 1, 2011, restrictions have been imposed upon the purchase of equipment that costs more than \$5,000. Unless related to an emergency or catastrophic event, all state agencies are prohibited from entering into contracts for the acquisition of equipment which cost more than \$5,000. There are some enumerated exceptions, including equipment purchases by institutions of higher education, where the costs are not funded from state funds or tuition.

Restrictions Upon Out-of-state Travel.

Beginning in 2010 and effective until July 1, 2011, state agencies of all three branches are prohibited from making expenditures for the cost or reimbursement of out-of-state travel or out-of-state training where the travel or training is not related to an emergency or other catastrophic event. There are some enumerated exceptions, including travel or training by institutions of higher education, where the costs are not funded from state funds or tuition.

Restrictions Upon Hiring.

Beginning in 2010 and effective until July 1, 2011, state agencies of all three branches are prohibited from establishing new staff positions or filling vacant positions except as specifically authorized. Executive agencies, including colleges and universities, may seek OFM approval for critically necessary work and, if approval for hiring is given, this fact must be published on the website and also specific notice must be given to the Legislature. Colleges and universities are given a specific exemption from the OFM approval process for positions directly related to academic programs, as well as positions not funded by state funds or tuition, positions that are filled by students, positions in campus police and security,

positions related to emergency management and response, and positions related to student health care and counseling.

Restrictions on Salary and Wage Increases.

Through June 30, 2011, there is a general prohibition on salary and wage increases for exempt and Washington Management Service employees of state agencies and institutions of higher education who are not covered by collective bargaining agreements. An employer may grant a salary increase to a position for which it has demonstrated difficulty retaining qualified personnel, provided that the increase can be paid within existing resources and without adversely impacting the delivery of client services. An institution of higher education may also grant a salary increase for employees taking on additional academic duties during the summer quarter.

Summary of Substitute Bill:

The following restrictions that are in place through the end of the 2009-2011 biennium are lifted or loosened with respect to higher education institutions:

- Meetings of boards and commissions affiliated with institutions of higher education that are held in private facilities are exempt from the OFM approval process.
- With respect to the restrictions upon personal services contracts, equipment purchases, and out-of-state travel, the exemptions for institutions of higher education are broadened to include all such contracts, purchases, and travel and not just those funded by monies other than the general fund or tuition.
- All positions in higher education are exempt from the restrictions upon hiring and need not go through the OFM approval process.
- Institutions of higher education may grant wage or salary increases to critical academic personnel as needed for retention purposes where the loss of such personnel would be likely to result in a loss of grant or other funding, as long as the increases are not funded from state funds.

Substitute Bill Compared to Original Bill:

A provision is added allowing institutions of higher education to grant wage or salary increases to critical academic personnel as needed for retention purposes where the loss of such personnel would be likely to result in a loss of grant or other funding, as long as the increases are not funded from state funds.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony:

(In support) These restrictions have created a new level of bureaucracy at every college and university, requiring much more paperwork. The numbers show that the OFM has not denied any of the requests. This costs more money to put the state in the middle of every single decision that a college or university manager has to make. The bill is addressing the problems created with the various restrictions that were put on institutions in the budget. With record enrollment and budget cuts, this is the worst time to tie the hands of the university managers and require additional paperwork and tasks. The institutions are already doing more with less. In one instance, an employee who was not doing a particularly good job resigned, but to then get the approval to fill the position took an extraordinary amount of paperwork and process. Flexibility in the hiring process is necessary. Sometimes there is not enough room on campus to hold a meeting, and a local private foundation offers free use of a meeting room, but then the college must go through a bureaucratic process to get the approval to use this free facility. Sometimes personal services contracts are cheaper, but there is too much process involved. With the restriction on equipment purchases, the negative result is that new equipment cannot be purchased and the students end up being trained on old, faulty equipment. The colleges are good stewards and should be allowed to manage without these restrictions. Some of the colleges in the community and technical college system have resources beyond state funds available to them while others do not. Those without private funds are most heavily impacted by the additional bureaucracy.

(Opposed) None.

Persons Testifying: Representative Probst, prime sponsor; Bob Knight, Clark College, Vancouver; and Denise Yochum, Pierce College Fort Steilacoom.

Persons Signed In To Testify But Not Testifying: None.