

HOUSE BILL REPORT

HB 2035

As Reported by House Committee On:
State Government & Tribal Affairs

Title: An act relating to effectuating financial stability for the public printer.

Brief Description: Effectuating financial stability for the public printer.

Sponsors: Representatives Hudgins, Hunt and Ryu.

Brief History:

Committee Activity:

State Government & Tribal Affairs: 3/31/11, 4/6/11 [DPS].

Brief Summary of Substitute Bill

- Requires the Public Printer to compete for certain printing jobs.

HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL AFFAIRS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Hunt, Chair; Appleton, Vice Chair; Darneille, Dunshee, Hurst, McCoy and Miloscia.

Minority Report: Do not pass. Signed by 4 members: Representatives Taylor, Ranking Minority Member; Overstreet, Assistant Ranking Minority Member; Alexander and Condotta.

Staff: Marsha Reilly (786-7135).

Background:

State law compels the Public Printer, with some exceptions, to do the state's printing. The Public Printer is not required to print the Supreme Court and Court of Appeals reports; bond certificates or bond offering disclosure documents; certain promotional materials for various commissions; or any materials for institutions of higher education that have established vendor selection procedures, and have the facilities and equipment available to accomplish its printing needs. In addition, state agencies may secure printing from a private vendor

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within the state, if the estimated cost of the job does not exceed \$1,000, and justification for saving time is made.

The Public Printer must charge the actual cost for print jobs, but prices may not exceed the prices listed in the Franklin Pricing Guide, published by the Porte Publishing Company. A 5 percent mark-up for paper, stock, and binding materials for print jobs may be added to the print cost to cover waste, insurance, storage, and handling.

The Public Printer may contract out print jobs to the private sector when it is more economical to do so. Bid solicitations must be posted on the state's Common Vendor Registration and Bid Notification System. The Public Printer may add up to 5 percent for a handling fee to any job that is contracted out. Jobs that are contracted out must be done within the state, unless it is determined that a job can be procured at a lower cost outside the state. Any out-of-state work must be procured at reasonable and competitive rates, and under conditions of employment that must substantially conform to Washington laws with respect to hours of labor, the minimum wage scale, and the rules and regulations of the Department of Labor and Industries.

In addition to its printing functions, the Public Printer must furnish all paper, stock, and binding materials for all public work at actual cost plus 5 percent for waste, insurance, storage, and handling. Furnishing of such supplies to institutions of higher education does not apply, except when an interlocal agreement has been executed.

The Public Printer is required to use recycled copy and printing paper for all jobs printed on white copy and printing paper.

Summary of Substitute Bill:

With the exception of the printing requirements for the Legislature, the Supreme Court, the Court of Appeals, and material with sensitive or personally identifiable information, state agencies are no longer required to use the Public Printer. However, the Public Printer must be included in the solicitation process. All solicitations must be posted on the state's Common Vendor Registration and Bid Notification System and the results provided to the Public Printer. Solicitations must include the requirement to use recycled copy and printing paper, and biodegradable ink. The Public Printer must update its budgeted hourly rate model, as needed, to accurately reflect its operational costs.

The mark-up for paper, stock, and binding materials, to account for waste, insurance, storage, and handling, is changed from "5 percent" to "up to 5 percent."

State agencies, boards, commissions, and institutions of higher education that have in-house print shops are required to consolidate printing equipment and staff with the Public Printer. The Office of Financial Management (OFM) must determine which agencies have print shops and prepare proposed legislation by November 15, 2011, to transfer all print shop equipment and personnel to the Public Printer. The OFM also must establish rules and

guidelines for all agencies to use in managing their printing operations, including both agency-based printing and those jobs that require the services of a print shop.

By November 1, 2016, the State Auditor must conduct a comprehensive performance audit of the Public Printer, building on the findings of the 2011 audit, with follow-up audits conducted as needed.

The exemptions from using the Public Printer by certain agencies and commissions are repealed. Outdated statutes, including the requirements that the Public Printer execute a \$10,000 bond upon appointment, and that the type for a job be kept for at least 60 days, are repealed. Technical changes to update language are made.

Substitute Bill Compared to Original Bill:

The substitute bill adds a requirement that the Public Printer print material with sensitive or personally identifiable information, and the results of bid solicitations be provided to the Public Printer. The State Auditor must conduct a comprehensive performance audit of state printing, rather than just the Public Printer, by 2016, and follow-up audits are required as necessary. Technical corrections are made to clarify language.

Appropriation: None.

Fiscal Note: Requested on March 28, 2011.

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

Staff Summary of Public Testimony:

(In support) There have been a number of discussions on how to save money and create efficiencies within the Public Printer. The State Auditor has recently conducted an audit and the bill includes some of the State Auditor's recommendations. There are a number of agencies that have their own print shops, and these would be consolidated with the Public Printer.

(With concerns) The Evergreen State College has concerns about increases in cost and a lack of efficiency. As a student service institution, the bill would affect the turnaround time for individual student projects.

(Opposed) The State Board for Community and Technical Colleges has concerns about the consolidation of in-house print shops, as these print shops are also part of their instructional programs. Central Washington University appreciates the intent to create more efficiencies, but has concerns about consolidation. The University already has the authority to bid print jobs. The University's small print shop is critical, and there is no time to send jobs to Olympia. Shipping alone would cause the job to cost more. Washington State University (WSU) has concerns because of the inconveniences the bill would create. The print shop at

the WSU is 90 percent self-sustaining. The print shop provides value to the WSU. Routine last minute orders that would go through Olympia would increase costs. The bill will not provide efficiencies for higher education in terms of consolidation of print shops. The Governor has already directed the universities to consolidate their functions. Western Washington University provides on demand print services to the local community colleges out of one shop. The turn around time for printing would change from a few hours to five days. The Washington Federation of State Employees has concerns about the bargaining units at the various schools impacted by the bill. If consolidation of higher education print shops remains in the bill, appropriate transfer language needs to be added. Pacific Printing and Imaging Association supports the amendment to privatize the state printer. In these difficult budget times, it is time to contract out printing with the private sector. The work done by private printers in the past has been very good. The private sector can do the work and save money in the long run.

Persons Testifying: (In support) Representative Hudgins, prime sponsor.

(With concerns) Julie Garver, The Evergreen State College.

(Opposed) Linda Schoonmaker, Washington State Board for Community and Technical Colleges; Steve DuPont, Central Washington University; Chris Mulick, Washington State University; Rosemary Sterling, Western Washington University and Whatcom Community College; Alia Griffins, Washington Federation of State Employees; and Bill Stauffacher, Pacific Printing and Imaging Association.

Persons Signed In To Testify But Not Testifying: None.