

HOUSE BILL REPORT

HB 1004

As Reported By House Committee On:
Higher Education

Title: An act relating to higher education services contracts.

Brief Description: Allowing institutions of higher education to contract for services.

Sponsors: Representatives Carlson, Sherstad, Benton, Dyer, Thompson, Goldsmith, Radcliff, Pennington, Mitchell, Basich, Blanton, Mulliken, Boldt, Fuhrman, Huff, Talcott and McMahan.

Brief History:

Committee Activity:

Higher Education: 1/11/96 [DP3S].

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: The third substitute bill be substituted therefor and the third substitute bill do pass. Signed by 8 members: Representatives Carlson, Chairman; Mulliken, Vice Chairman; Jacobsen, Ranking Minority Member; Basich; Benton; Delvin; Goldsmith and Mastin.

Minority Report: Without recommendation. Signed by 3 members: Representatives Mason, Assistant Ranking Minority Member; Scheuerman and Sheahan.

Staff: Suzi Morrissey (786-7120).

Background: By law, institutions of higher education and related boards are permitted to contract with individuals or businesses for services if the services were regularly purchased by contract before April 23, 1979. Institutions of higher education and related boards are prohibited from contracting with persons or businesses for services if the contracts will result in the termination of either classified employees or classified positions. Under this law, institutions of higher education include the public baccalaureate institutions and the community and technical colleges. Related boards include the State Board for Community and Technical Colleges and other boards, councils and commissions related to higher education.

Summary of Third Substitute Bill: Public colleges and universities, related boards, and the Joint Center for Higher Education may contract with individuals or businesses for services if the contracts do not result in the termination of state-funded permanent employees who are employed by the institutions, boards, or center on the date that this law takes effect.

Third Substitute Bill Compared to Original Bill: Institutions are not required to perform feasibility studies and do not have to show that a contract for services will result in reduced expenditures of public monies. The director of the Office of Financial Management is not required to approve a contract for services. There are no requirements describing wage and benefit packages for employees performing contracted services. In addition, the Joint Center for Higher Education in Spokane is specifically permitted to contract for services.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Third Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Permitting institutions of higher education to contract for services will give them one of the tools necessary to navigate the difficult fiscal times ahead. By allowing private businesses to perform some services, institutions will save money. The savings could be used to improve access and fund enhancements. The language in this legislation is similar to language that the University of Washington negotiated with its largest employee union. The legislation protects currently employed state funded workers, but does not protect the type of work that classified workers perform.

Testimony Against: Any contracts for services should save money and be collectively bargained. There is no guarantee that this legislation will save any money. The movement toward privatization results in lowered salaries, benefit packages, and living conditions for Washington employees. The language in the substitute will not protect employees funded by federal or contractual monies. Preventing golden parachutes for highly paid administrators is a better way to save money than this legislation.

Testified: (In favor) Terry Novak, Joint Center for Higher Education; Terry Teale, Council of Presidents; John Pettit, University of Washington; David Reiter, Lambert van de Walde and Keith Boyd, Washington Student Lobby; Krista Eichler, Seattle Chamber of Commerce. (Against) Leslie Liddle-Stamper, Washington Federation of State Employees; Sherry Appleton, CSA/District 925 SEIU; Richard King,

International Brotherhood of Electrical Workers #46; Robert Stern, Washington State Labor Council; and Eugene St. John, Washington Public Employees Association.