

# HOUSE BILL REPORT

## HB 1425

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**As Reported by House Committee On:**  
Higher Education

**Title:** An act relating to health sciences and services authorities.

**Brief Description:** Concerning the higher education coordinating board's responsibilities with regard to health sciences and services authorities.

**Sponsors:** Representative Haler; by request of Higher Education Coordinating Board.

**Brief History:**

**Committee Activity:**

Higher Education: 1/26/11, 2/7/11 [DP].

**Brief Summary of Bill**

- Removes responsibility from the Higher Education Coordinating Board for developing evaluation and performance measures in order to evaluate the effectiveness of the programs in a Health Sciences and Services Authority; and reporting to the Legislature on a biennial basis.

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### HOUSE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** Do pass. Signed by 15 members: Representatives Seaquist, Chair; Carlyle, Vice Chair; Haler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Buys, Crouse, Fagan, Hasegawa, Jacks, Probst, Reykdal, Sells, Springer, Warnick and Zeiger.

**Staff:** Cece Clynch (786-7195).

**Background:**

Health Sciences and Services Authority.

Legislation passed in 2007 authorized the creation of a Health Sciences and Services Authority (Authority) to promote bioscience-based economic development and advance new therapies and procedures to combat disease and promote public health. Initially, just a single Authority was authorized, and only in a county with a population of less than one million

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persons. In 2010 the Legislature further specified that there could be no more than two Authorities in the state, and that Authorities could only be located east of the crest of the Cascade Mountains.

An individual local government, or local governments joining together, may establish such an Authority by ordinance or resolution. The ordinance or resolution must specify the powers of the Authority, establish an administrative board, clarify the geographic boundaries of the Authority, and provide investment guidelines. An Authority is overseen by a board of not more than 14 members and has all the general powers necessary to carry out its purposes and duties, such as the power to make and execute agreements and contracts, establish special funds, hire staff, incur general indebtedness, leverage the Authority's public funds with moneys received from other public and private sources, hold funds received by the Authority in trust, and make grants to entities to promote bioscience-based economic development.

The legislative authority of a local jurisdiction that created an Authority prior to January 1, 2010, may impose a sales and use tax of 0.020 percent which will be deducted from the state's portion of the sales and use tax collected by the Department of Revenue (DOR). The DOR is required to collect the tax on behalf of the Authority. The amounts received by the Authority may only be used as specified in the Authority's powers and duties and to retire indebtedness.

#### Higher Education Coordinating Board.

The Higher Education Coordinating Board (HECB) was authorized to approve or reject applications submitted by local governments for an area's designation as an Authority. The HECB was also charged with adopting any rules necessary for implementation, and was given responsibility for developing evaluation and performance measures in order to evaluate the effectiveness of the programs in the Authorities that are funded with public resources. The HECB is required to report to the Legislature on a biennial basis beginning December 1, 2009. The HECB is also tasked with developing evaluation criteria that enable the local governments to measure the effectiveness of the programs.

In November 2007 the HECB released a Request for Applications for designation of an Authority. Although several local jurisdictions inquired, only Spokane County submitted an application. By resolution, the HECB approved the designation of an Authority in Spokane County.

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#### **Summary of Bill:**

The HECB is not responsible for developing evaluation and performance measures in order to evaluate the effectiveness of the programs in the Authorities. The HECB is not tasked with reporting to the Legislature on a biennial basis. It remains responsible, however, for developing evaluation criteria that enable the local governments to measure the effectiveness of the program.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) Relieving the HECB from responsibility for reporting will save money without forgoing accountability. The HECB has already developed the evaluation criteria but it is not a body that is best equipped to continue ongoing reporting responsibilities. The HECB simply does not have the expertise on staff to do ongoing operations reports and would need to contract with others for this. Furthermore, while Authorities are relevant to the Master Plan, they are not central to the core mission of the HECB. As appointees of the Governor and local officials, Authority members are accountable.

(Opposed) None.

**Persons Testifying:** Representative Haler, prime sponsor; and Chris Thompson, Higher Education Coordinating Board.

**Persons Signed In To Testify But Not Testifying:** None.