

SENATE BILL REPORT

SB 5724

As Reported by Senate Committee On:
Early Learning & K-12 Education, February 21, 2013

Title: An act relating to modifying school district bidding requirements for improvement and repair projects.

Brief Description: Modifying school district bidding requirements for improvement and repair projects.

Sponsors: Senators Honeyford, Fraser and Fain.

Brief History:

Committee Activity: Early Learning & K-12 Education: 2/21/13 [DPS, DNP].

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: That Substitute Senate Bill No. 5724 be substituted therefor, and the substitute bill do pass.

Signed by Senators Litzow, Chair; McAuliffe, Ranking Member; Rolfes, Assistant Ranking Member; Billig, Cleveland, Fain, Hill, Mullet and Rivers.

Minority Report: Do not pass.

Signed by Senators Dammeier, Vice Chair; Brown.

Staff: Susan Mielke (786-7422)

Background: When a school district makes a purchase, except for books, or makes improvements or repairs to district property that is estimated to be in excess of \$40,000 then the school district must use a competitive bid process. The process includes notice and a procedure to secure bids. Purchases and repairs or improvements that are estimated to be \$40,000 or less may be performed by the school district.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Recommended Substitute): The threshold that requires a competitive bid process for school district purchasing is maintained at \$40,000. The threshold for a school district that requires competitive bidding for improvements or repairs is increased from \$40,000 to \$75,000.

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.

EFFECT OF CHANGES MADE BY EARLY LEARNING & K-12 EDUCATION COMMITTEE (Recommended Substitute): The annual adjustment for inflation and the requirement that the Office of Superintendent of Public Instruction annually notify school districts of the adjusted threshold is removed.

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 Proposed Substitute as Heard in Committee:

PRO: The bill is necessary for school districts to make more efficient use of taxpayers' money. There are many projects that schools could do in-house that would save money and allow districts to put those savings into the classroom. The budget crisis has hurt classified staff at a greater level than certificated staff and this is a way to save dollars but provide greater opportunities for school districts to use their classified staff.

CON: The current threshold works now. No one is losing money because of competitive bids. Private industry is who loses under this bill. These are the smaller projects that make good training jobs for our entry-level contractors. A benefit of private industry is that if the work is not done correctly then they will fix it. We urge you to support private industry. We have concerns with the automatic inflation factor. School districts should do what they do best, which is educate. Let contractors do what they do best, which is build.

Persons Testifying: **PRO:** Marie Sullivan, Washington State School Directors Assn.; Christian Dube, International Union of Operating Engineers Local 286; Mitch Denning, Alliance of Educational Assns.; Doug Nelson, Public School Employees/SEIU 1948.

CON: Tonia Sorrel-Neal, WA Construction Industry Council; Van Collins, Associate General Contractors.