

# HOUSE BILL REPORT

## HB 2755

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

**Title:** An act relating to administrative efficiencies in Washington state public higher education.

**Brief Description:** Creating administrative efficiencies for institutions of higher education.

**Sponsors:** Representatives Zeiger, Pollet, Haler, Springer, Muri and Hickel; by request of Council of Presidents.

**Brief History:**

**Committee Activity:**

Higher Education: 2/2/16, 2/5/16 [DPS].

**Brief Summary of Substitute Bill**

- Adopts various efficiency measures identified by the Council of Presidents for institutions of higher education, including provisions on: (1) minor works projects and cost estimates; (2) procurement and contracting requirements; (3) art in public places; and (4) records for research.

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### HOUSE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Hansen, Chair; Pollet, Vice Chair; Zeiger, Ranking Minority Member; Haler, Assistant Ranking Minority Member; Bergquist, Frame, Hargrove, Holy, Reykdal, Sells, Stambaugh, Tarleton and Van Werven.

**Staff:** Trudes Tango (786-7384).

**Background:**

Capital Budget Requests.

The capital budget includes appropriations for the construction and repair of institutions of higher education and other capital facilities and programs.

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*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.*

Minor works appropriations in the capital budget are lump sum appropriations to cover smaller preservation and programmatic projects that are similar in nature and cost less than \$1 million for most state agencies, or less than \$2 million for higher education institutions. Typically, minor works projects are completed within one biennium. Agencies must file minor works lists and requested revisions with the Office of Financial Management (OFM), the House Capital Budget Committee, and the Senate Ways and Means Committee.

Cost estimates are decision-making tools that must be submitted to the OFM in the biennial capital budget development process for all major capital projects that exceed \$5 million. Cost estimates provide detailed information regarding costs for such project components as acquisition, consultant services, construction, equipment, and project management. These detailed cost estimates are used to make funding decisions in developing the capital budget.

A predesign study is another decision-making tool that is required for all capital projects that exceed \$5 million. The predesign project threshold limit for higher education capital projects was increased from \$5 million to \$10 million in the 2014 Capital Budget (Chapter 162, Laws of 2014).

#### Art in Public Places.

The Art in Public Places program, also known as the "one-half of 1 percent program," is administered by the Washington State Arts Commission. State agencies and public schools must allocate 0.5 percent of any moneys appropriated for original construction, and higher education institutions must allocate 0.5 percent of moneys appropriated for original construction or major renovation projects costing more than \$200,000. The funds generated from the program are set aside for the acquisition of new artwork through the Arts Commission. Works of art purchased through the program are generally displayed within the building project or nearby grounds of the project that generated the funding.

#### Procurement and Purchasing.

The Department of Enterprise Services (DES) establishes rules and requirements for the purchasing activities of all state agencies, including the institutions of higher education. Generally, agencies must follow rules on competitive bidding, reporting, and training. Institutions of higher education may choose to manage competitive purchasing procedures independent of the DES purchasing procedures for commodities. Institutions that exercise independent purchasing authority must notify the DES and the DES is not required to provide those services for the institution for the duration of the DES contract term for that commodity. Employees in charge of procurement within the agencies must receive training. The DES oversees the training and certification program for procurement and contracting.

#### Research Records.

Various state and federal laws govern the release of records containing individually identifying information. For the purposes of releasing records for research, state law allows agencies to give a researcher access to individuals identifying records without consent of the individual only if certain requirements are met. The requirements include the researcher signing a confidentiality agreement and the agency reviewing the purpose of the request and determining whether the research can be reasonably accomplished without disclosure of individually identifying information.

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## **Summary of Substitute Bill:**

### Capital Budget Requests.

The threshold limit for cost estimates for major capital projects at institutions of higher education is increased from \$5 million to \$10 million. This makes the threshold amount consistent with that of the predesign studies of major capital projects.

The minor works project threshold for higher education institutions is raised from \$2 million to \$5 million.

### Art in Public Places.

An institution of higher education may expend up to 10 percent of the one-half of one percent during the design phase of a project, in order to integrate the art in the building design. The one-half of one percent to be expended by the Arts Commission must be adjusted downward by the amount expended by the institution during the design phase of the project.

### Procurement and Contracting.

Institutions that exercise independent purchasing authority for commodities are not required to notify the DES. In addition, the institutions may develop independent training or certification programs, or both, to ensure consistency in procurement practices. Each institution exercising its authority to develop independent training or certification must first submit their training program to the DES for review. Once the DES authorizes the program, the institution must require its employees responsible for procurement to complete the training or certification program.

### Research Records.

Institutions of higher education are exempted from the laws governing the release of individually identifying records for research purposes.

## **Substitute Bill Compared to Original Bill:**

The substitute bill removes the provisions that would have exempted institutions of higher education from the requirement to submit sole source contracts and a list of contracts to the DES. The substitute also adds a provision that requires that institutions that develop their own training and certification programs for procurement must first get their training programs approved by the DES.

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**Appropriation:** None.

**Fiscal Note:** Available.

**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) It is appropriate for the Legislature to revisit regulations and reporting requirements imposed on institutions of higher education and to make changes so institutions remain flexible. This bill cleans up requirements that are duplicative and will save time and frustration. The bill is a result of a collaborative process. The institutions looked at dozens of provisions and narrowed them down to those contained in the bill.

(Opposed) The public has the right to know how public money is being spent. The procurement standards should not be lowered for institutions. Exempting the institutions from reporting creates a perception of a lack of transparency.

**Persons Testifying:** (In support) Representative Heiger, prime sponsor; Cody Eccles, Council of Presidents; and Madeleine Thompson, Washington Student Achievement Council.

(Opposed) Matt Zuvich, Washington Federation of State Employees; and Semus Petrie, Washington Public Employees Association.

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