

HOUSE BILL REPORT

SSB 6409

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: Senate Committee on Ways & Means (originally sponsored by Senators Bailey, Frockt, Braun, Becker, Carlyle and Chase; by request of Council of Presidents).

Brief History:

Committee Activity:

Higher Education: 2/23/16, 2/24/16 [DPA].

**Brief Summary of Substitute Bill
(As Amended by Committee)**

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

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass as amended. 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. Minor works appropriations in the capital budget are lump sum appropriations to cover smaller preservation and programmatic

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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.

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 (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.

Summary of Amended Bill:

Capital Budget Requests.

The minor works project threshold for higher education institutions is raised from \$2 million to \$3 million.

Art in Public Places.

An institution of higher education may expend up to 10 percent of the 0.5 percent during the design phase of a project, in order to integrate the art in the building design. The 0.5 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.

Research Records.

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

Amended Bill Compared to Substitute Bill:

The amended bill changes the threshold amount for minor works projects from \$5 million to \$3 million.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended 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) Certain provisions of the bill have been removed, but there are still five components left. The minor works threshold limit could be changed to more closely relate to inflation, which would be around \$3 to \$3.5 million. The Council of Presidents has worked with the OFM to clarify the provision on cost estimates, and that provision is no longer needed. Allowing institutions to use resources for art during the design phase makes complete sense and is a prudent use of public resources. The public art program runs very well. The concerns previously expressed have been addressed.

(Opposed) None.

(Other) Concerns about sections in the earlier version of the bill appear to be addressed.

Persons Testifying: (In support) Senator Bailey, prime sponsor; Karen Hanan, ArtsWA; and Cody Eccles, Council of Presidents.

(Other) Seamus Petrie, Washington Public Employees Association.

Persons Signed In To Testify But Not Testifying: None.