

SENATE BILL REPORT

SB 6409

As of February 2, 2016

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

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

Sponsors: Senators Bailey, Frockt, Braun, Becker, Carlyle and Chase; by request of Council of Presidents.

Brief History:

Committee Activity: Higher Education: 2/02/16.

SENATE COMMITTEE ON HIGHER EDUCATION

Staff: Clint McCarthy (786-7319)

Background: Institutions of higher learning in the state of Washington include public four-year institutions and community and technical colleges. These institutions are subject to many of the same oversight statutes that state agencies are subject to. The Department of Enterprise Services (DES) and the Office of Financial Management (OFM) are the state agencies charged with monitoring the budgeting and procurement policies for state agencies, which include the institutions of higher learning.

Summary of Bill: Statutes are amended to make the following changes:

- Clarifies that the percentage of funding set aside for artwork as part of a capital construction project at institutions of higher learning with a budget of more than \$200,000 is 0.5 percent of the construction appropriation - rather than the whole appropriation. Institutions are provided authority to spend 10 percent of the projected art allocation for a project during the design phase.
- Removes language that requires institutions of higher learning to notify the DES when the institution wants to exercise independent purchasing authority for a commodity or a group of commodities, as well as the requirement to have the DES provide services for the institution moving forward.
- Clarifies that institutions of higher education may develop independent training or certification programs to ensure consistency in procurement practices for employees authorized to perform procurement functions under applicable state and federal laws.
- Exempts institutions of higher education from having to submit sole-source contracts to the DES and make the contracts available for public inspection for 10 working

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days or from having to provide written justification to DES for having used a sole-source contracting vehicle.

- Exempts institutions of higher education from having to annually submit to DES a list of all contracts that the institutions has entered into or renewed.
- Clarifies the definition of "state agency" in RCW 42.48.010 by removing institutions of higher education.
- Modifies the requirements for submitting a biennial budget request to the OFM by increasing the threshold for capital projects from \$5 million to \$10 million for institutions of higher education before having to itemize the cost of construction components.
- Raises the threshold for minor works from \$2 million to \$5 million for institutions of higher education.

Appropriation: None.

Fiscal Note: Requested on January 25, 2016.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: Creating this bill has been a multi biennial process. It has been developed in a bipartisan effort. The efficiencies will result in less time being spent on reporting requirements. This will help streamline the capital budgeting processes. The construction caps were set in the 1990s and need to be updated for inflation. Inflation has resulted in many minor works projects having to go through a lengthy procurement process.

CON: Eliminating reporting requirements removes transparency and the public's right to know how much the state universities are paying for goods and services in sections 4,5, and 7.

Persons Testifying: PRO: Cody Eccles, Council of Presidents; John Hurley, The Evergreen State College; Maddy Thompson, Washington Student Achievement Council.

CON: Alia Griffing, WA Federation of State Employees.

Persons Signed In To Testify But Not Testifying: No one.