
HOUSE BILL 2237

State of Washington

53rd Legislature

1994 Regular Session

By Representatives Wang, Ogden, Sehlin, Silver, Linville, King, Fleming, Pruitt, Karahalios, Romero, Dunshee, Eide and Springer

Read first time 01/11/94. Referred to Committee on Capital Budget.

1 AN ACT Relating to planning and management of state facilities;
2 amending RCW 43.88A.020, 43.88.032, 43.82.010, 43.01.090, 43.19.500,
3 and 79.24.580; reenacting and amending RCW 43.88.030 and 43.88.110;
4 adding a new section to chapter 43.88 RCW; adding a new section to
5 chapter 43.19 RCW; creating new sections; repealing RCW 43.82.040,
6 43.82.050, 43.82.060, 43.82.070, 43.82.080, 43.82.090, 43.82.110,
7 43.82.120, 79.24.630, 79.24.632, 79.24.634, 79.24.636, 79.24.638,
8 79.24.640, 79.24.642, 79.24.6421, 79.24.6422, 79.24.644, 79.24.645,
9 79.24.646, and 79.24.647; and declaring an emergency.

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

11 NEW SECTION. **Sec. 1.** The legislature finds that the acquisition,
12 construction, and management of state-owned and leased facilities has
13 a profound and long-range effect upon the delivery and cost of state
14 programs, and that there is an increasing need for better facility
15 planning and management to improve the effectiveness and efficiency of
16 state facilities.

17 **Sec. 2.** RCW 43.88.030 and 1991 c 358 s 1 and 1991 c 284 s 1 are
18 each reenacted and amended to read as follows:

1 (1) The director of financial management shall provide all agencies
2 with a complete set of instructions for submitting biennial budget
3 requests to the director at least three months before agency budget
4 documents are due into the office of financial management. The
5 director shall provide agencies that are required under RCW 44.40.070
6 to develop comprehensive six-year program and financial plans with a
7 complete set of instructions for submitting these program and financial
8 plans at the same time that instructions for submitting other budget
9 requests are provided. The budget document or documents shall consist
10 of the governor's budget message which shall be explanatory of the
11 budget and shall contain an outline of the proposed financial policies
12 of the state for the ensuing fiscal period, as well as an outline of
13 the proposed six-year financial policies where applicable, and shall
14 describe in connection therewith the important features of the budget.
15 The message shall set forth the reasons for salient changes from the
16 previous fiscal period in expenditure and revenue items and shall
17 explain any major changes in financial policy. Attached to the budget
18 message shall be such supporting schedules, exhibits and other
19 explanatory material in respect to both current operations and capital
20 improvements as the governor shall deem to be useful to the
21 legislature. The budget document or documents shall set forth a
22 proposal for expenditures in the ensuing fiscal period, or six-year
23 period where applicable, based upon the estimated revenues as approved
24 by the economic and revenue forecast council or upon the estimated
25 revenues of the office of financial management for those funds,
26 accounts, and sources for which the office of the economic and revenue
27 forecast council does not prepare an official forecast, including those
28 revenues anticipated to support the six-year programs and financial
29 plans under RCW 44.40.070. In estimating revenues to support financial
30 plans under RCW 44.40.070, the office of financial management shall
31 rely on information and advice from the interagency revenue task force.
32 Revenues shall be estimated for such fiscal period from the source and
33 at the rates existing by law at the time of submission of the budget
34 document, including the supplemental budgets submitted in the even-
35 numbered years of a biennium. However, the estimated revenues for use
36 in the governor's budget document may be adjusted to reflect budgetary
37 revenue transfers and revenue estimates dependent upon budgetary
38 assumptions of enrollments, workloads, and caseloads. All adjustments
39 to the approved estimated revenues must be set forth in the budget

1 document. The governor may additionally submit, as an appendix to each
2 supplemental, biennial, or six-year agency budget or to the budget
3 document or documents, a proposal for expenditures in the ensuing
4 fiscal period from revenue sources derived from proposed changes in
5 existing statutes.

6 Supplemental and biennial documents shall reflect a six-year
7 expenditure plan consistent with estimated revenues from existing
8 sources and at existing rates for those agencies required to submit
9 six-year program and financial plans under RCW 44.40.070. Any
10 additional revenue resulting from proposed changes to existing statutes
11 shall be separately identified within the document as well as related
12 expenditures for the six-year period.

13 The budget document or documents shall also contain:

14 (a) Revenues classified by fund and source for the immediately past
15 fiscal period, those received or anticipated for the current fiscal
16 period, those anticipated for the ensuing biennium, and those
17 anticipated for the ensuing six-year period to support the six-year
18 programs and financial plans required under RCW 44.40.070;

19 (b) The undesignated fund balance or deficit, by fund;

20 (c) Such additional information dealing with expenditures,
21 revenues, workload, performance, and personnel as the legislature may
22 direct by law or concurrent resolution;

23 (d) Such additional information dealing with revenues and
24 expenditures as the governor shall deem pertinent and useful to the
25 legislature;

26 (e) Tabulations showing expenditures classified by fund, function,
27 activity and object;

28 (f) A delineation of each agency's activities, including those
29 activities funded from nonbudgeted, nonappropriated sources, including
30 funds maintained outside the state treasury; and

31 (g) Identification of all proposed direct expenditures to implement
32 the Puget Sound water quality plan under chapter 90.70 RCW, shown by
33 agency and in total.

34 (2) The budget document or documents shall include detailed
35 estimates of all anticipated revenues applicable to proposed operating
36 or capital expenditures and shall also include all proposed operating
37 or capital expenditures. The total of beginning undesignated fund
38 balance and estimated revenues less working capital and other reserves

1 shall equal or exceed the total of proposed applicable expenditures.

2 The budget document or documents shall further include:

3 (a) Interest, amortization and redemption charges on the state
4 debt;

5 (b) Payments of all reliefs, judgments and claims;

6 (c) Other statutory expenditures;

7 (d) Expenditures incident to the operation for each agency;

8 (e) Revenues derived from agency operations;

9 (f) Expenditures and revenues shall be given in comparative form
10 showing those incurred or received for the immediately past fiscal
11 period and those anticipated for the current biennium and next ensuing
12 biennium, as well as those required to support the six-year programs
13 and financial plans required under RCW 44.40.070;

14 (g) A showing and explanation of amounts of general fund and other
15 funds obligations for debt service and any transfers of moneys that
16 otherwise would have been available for appropriation;

17 (h) Common school expenditures on a fiscal-year basis;

18 (i) A showing, by agency, of the value and purpose of financing
19 contracts for the lease/purchase or acquisition of personal or real
20 property for the current and ensuing fiscal periods.

21 (3) A separate capital budget document or schedule shall be
22 submitted that will contain the following:

23 (a) A ~~((capital plan consisting of proposed capital spending for at
24 least four fiscal periods succeeding the next fiscal period))~~ statement
25 setting forth a long-range facilities plan for the state that
26 identifies and includes the highest priority needs within affordable
27 spending levels;

28 (b) A capital program consisting of proposed capital projects for
29 ~~((at least))~~ the next biennium and the two ((fiscal periods)) biennia
30 succeeding the next ((fiscal period)) biennium consistent with the
31 long-range facilities plan. Insomuch as is practical, and recognizing
32 emergent needs, the capital program shall reflect the priorities,
33 projects, and spending levels proposed in previously submitted capital
34 budget documents in order to provide a reliable long-range planning
35 tool for the legislature and state agencies;

36 (c) A capital plan consisting of proposed capital spending for at
37 least four ~~((fiscal periods))~~ biennia succeeding the next ~~((fiscal~~
38 ~~period))~~ biennium;

39 (d) A statement of the reason or purpose for a project;

1 (e) Verification that a project is consistent with the provisions
2 set forth in chapter 36.70A RCW;

3 (f) A statement about the proposed site, size, and estimated life
4 of the project, if applicable;

5 (g) Estimated total project cost;

6 (h) For major projects valued over five million dollars, estimated
7 costs for the following project components: Acquisition, consultant
8 services, construction, equipment, project management, and other costs
9 included as part of the project. Project component costs shall be
10 displayed in a standard format to allow comparisons between projects;

11 (i) Estimated total project cost for each phase of the project as
12 defined by the office of financial management;

13 (~~(i)~~) (j) Estimated ensuing biennium costs;

14 (~~(j)~~) (k) Estimated costs beyond the ensuing biennium;

15 (~~(k)~~) (l) Estimated construction start and completion dates;

16 (~~(l)~~) (m) Source and type of funds proposed;

17 (~~(m)~~) (n) Estimated ongoing operating budget costs or savings
18 resulting from the project, including staffing and maintenance costs;

19 (o) Such other information bearing upon capital projects as the
20 governor deems to be useful;

21 (~~(n)~~) (p) Standard terms, including a standard and uniform
22 definition of maintenance for all capital projects;

23 (~~(o)~~) (q) Such other information as the legislature may direct by
24 law or concurrent resolution.

25 For purposes of this subsection (3), the term "capital project"
26 shall be defined subsequent to the analysis, findings, and
27 recommendations of a joint committee comprised of representatives from
28 the house capital appropriations committee, senate ways and means
29 committee, legislative transportation committee, legislative evaluation
30 and accountability program committee, and office of financial
31 management.

32 (4) No change affecting the comparability of agency or program
33 information relating to expenditures, revenues, workload, performance
34 and personnel shall be made in the format of any budget document or
35 report presented to the legislature under this section or RCW
36 43.88.160(1) relative to the format of the budget document or report
37 which was presented to the previous regular session of the legislature
38 during an odd-numbered year without prior legislative concurrence.
39 Prior legislative concurrence shall consist of (a) a favorable majority

1 vote on the proposal by the standing committees on ways and means of
2 both houses if the legislature is in session or (b) a favorable
3 majority vote on the proposal by members of the legislative evaluation
4 and accountability program committee if the legislature is not in
5 session.

6 **Sec. 3.** RCW 43.88A.020 and 1979 c 151 s 146 are each amended to
7 read as follows:

8 The office of financial management shall, in cooperation with
9 appropriate legislative committees and legislative staff, establish a
10 procedure for the provision of fiscal notes on the expected impact of
11 bills and resolutions which increase or decrease or tend to increase or
12 decrease state government revenues or expenditures. Such fiscal notes
13 shall indicate by fiscal year the impact for the remainder of the
14 biennium in which the bill or resolution will first take effect as well
15 as a cumulative forecast of the fiscal impact for the succeeding four
16 fiscal years. Fiscal notes shall separately identify the fiscal
17 impacts on the operating, capital, and transportation budgets.
18 Estimates of fiscal impacts shall be calculated using the procedures
19 contained in the budget preparation instructions issued by the office
20 of financial management.

21 In establishing the fiscal impact called for pursuant to this
22 chapter, the office of financial management shall coordinate the
23 development of fiscal notes with all state agencies affected.

24 **Sec. 4.** RCW 43.88.032 and 1989 c 311 s 1 are each amended to read
25 as follows:

- 26 (1) Annual ongoing or routine maintenance costs shall be programmed
27 in the operating budget rather than in the capital budget.
28 (2) All debt-financed pass-through money to local governments shall
29 be programmed and separately identified in the capital budget.

30 **Sec. 5.** RCW 43.88.110 and 1991 sp.s. c 32 s 27 and 1991 c 358 s 2
31 are each reenacted and amended to read as follows:

32 This section sets forth the expenditure programs and the allotment
33 and reserve procedures to be followed by the executive branch for
34 public funds.

- 35 (1) Allotments of an appropriation for any fiscal period shall
36 conform to the terms, limits, or conditions of the appropriation.

1 (2) The director of financial management shall provide all agencies
2 with a complete set of operating and capital instructions for preparing
3 a statement of proposed expenditures at least thirty days before the
4 beginning of a fiscal period. The set of instructions need not include
5 specific appropriation amounts for the agency.

6 (3) Within forty-five days after the beginning of the fiscal period
7 or within forty-five days after the governor signs the omnibus biennial
8 appropriations act, whichever is later, all agencies shall submit to
9 the governor a statement of proposed expenditures at such times and in
10 such form as may be required by the governor.

11 (4) The office of financial management shall develop a method for
12 monitoring capital appropriations and expenditures that will capture at
13 least the following elements:

14 (a) Appropriations made for capital projects including
15 transportation projects;

16 (b) Estimates of total project costs including past, current,
17 ensuing, and future biennial costs;

18 (c) Comparisons of actual costs to estimated costs;

19 (d) Comparisons of estimated construction start and completion
20 dates with actual dates;

21 (e) Documentation of fund shifts between projects.

22 This data may be incorporated into the existing accounting system
23 or into a separate project management system, as deemed appropriate by
24 the office of financial management.

25 (5) The office of financial management, prior to approving
26 allotments for major capital construction projects, shall adopt
27 procedures for reviewing such projects at the predesign stage that will
28 reduce long-term costs and increase facility efficiency. The
29 procedures shall include, but not be limited to, the following
30 elements:

31 (a) Evaluation of facility program requirements and consistency
32 with long-range plans;

33 (b) Utilization of a system of cost, quality, and performance
34 standards to compare major capital construction projects; and

35 (c) A requirement to incorporate value-engineering analysis and
36 constructability review into the project schedule.

37 (6) If at any time during the fiscal period the governor projects
38 a cash deficit in a particular fund or account as defined by RCW
39 43.88.050, the governor shall make across-the-board reductions in

1 allotments for that particular fund or account so as to prevent a cash
2 deficit, unless the legislature has directed the liquidation of the
3 cash deficit over one or more fiscal periods. Except for the
4 legislative and judicial branches and other agencies headed by elective
5 officials, the governor shall review the statement of proposed
6 operating expenditures for reasonableness and conformance with
7 legislative intent. Once the governor approves the statements of
8 proposed operating expenditures, further revisions shall be made only
9 at the beginning of the second fiscal year and must be initiated by the
10 governor. However, changes in appropriation level authorized by the
11 legislature, changes required by across-the-board reductions mandated
12 by the governor, changes caused by executive increases to spending
13 authority, and changes caused by executive decreases to spending
14 authority for failure to comply with the provisions of chapter 36.70A
15 RCW may require additional revisions. Revisions shall not be made
16 retroactively. Revisions caused by executive increases to spending
17 authority shall not be made after June 30, 1987. However, the governor
18 may assign to a reserve status any portion of an agency appropriation
19 withheld as part of across-the-board reductions made by the governor
20 and any portion of an agency appropriation conditioned on a contingent
21 event by the appropriations act. The governor may remove these amounts
22 from reserve status if the across-the-board reductions are subsequently
23 modified or if the contingent event occurs. The director of financial
24 management shall enter approved statements of proposed expenditures
25 into the state budgeting, accounting, and reporting system within
26 forty-five days after receipt of the proposed statements from the
27 agencies. If an agency or the director of financial management is
28 unable to meet these requirements, the director of financial management
29 shall provide a timely explanation in writing to the legislative fiscal
30 committees.

31 ~~((+6))~~ (7) It is expressly provided that all agencies shall be
32 required to maintain accounting records and to report thereon in the
33 manner prescribed in this chapter and under the regulations issued
34 pursuant to this chapter. Within ninety days of the end of the fiscal
35 year, all agencies shall submit to the director of financial management
36 their final adjustments to close their books for the fiscal year.
37 Prior to submitting fiscal data, written or oral, to committees of the
38 legislature, it is the responsibility of the agency submitting the data

1 to reconcile it with the budget and accounting data reported by the
2 agency to the director of financial management.

3 ~~((7))~~ (8) The director of financial management shall monitor
4 agency operating expenditures against the approved statement of
5 proposed expenditures and shall provide the legislature with quarterly
6 explanations of major variances.

7 ~~((8))~~ (9) The director of financial management may exempt certain
8 public funds from the allotment controls established under this chapter
9 if it is not practical or necessary to allot the funds. Allotment
10 control exemptions expire at the end of the fiscal biennium for which
11 they are granted. The director of financial management shall report
12 any exemptions granted under this subsection to the legislative fiscal
13 committees.

14 NEW SECTION. Sec. 6. A new section is added to chapter 43.88 RCW
15 to read as follows:

16 (1) The capital appropriations act may authorize the governor,
17 through the director of financial management, to transfer the
18 appropriation authority for a capital project that is in excess of the
19 amount required for the completion of the project to another capital
20 project for which the appropriation is insufficient.

21 (a) No such transfer may be used to expand the capacity or change
22 the intended use of the project beyond that intended by the legislature
23 in making the appropriation.

24 (b) The transfer may be effected only between capital projects
25 within a specific department, commission, agency, or institution of
26 higher education.

27 (c) The transfer may be effected only if the project from which the
28 transfer of funds is made is substantially complete and there are funds
29 remaining, or bids have been let on the project from which the transfer
30 of funds is made and it appears to a substantial certainty that the
31 project can be completed within the biennium for less than the amount
32 appropriated.

33 (2) For the purposes of this section, the legislature intends that
34 each project be defined as proposed to the legislature in the
35 governor's budget document, unless the legislative history demonstrates
36 that the legislature intended to define the scope of a project in a
37 different way.

1 (3) The office of financial management shall notify the legislative
2 fiscal committees of the senate and the house of representatives at
3 least thirty days before any transfer is effected under this section
4 except emergency projects or any transfer under two hundred fifty
5 thousand dollars, and shall prepare a report to such committees listing
6 all completed transfers at the close of each fiscal year.

7 **Sec. 7.** RCW 43.82.010 and 1990 c 47 s 1 are each amended to read
8 as follows:

9 (1) The director of the department of general administration, on
10 behalf of the agency involved, shall purchase, lease, rent, or
11 otherwise acquire all real estate, improved or unimproved, as may be
12 required by elected state officials, institutions, departments,
13 commissions, boards, and other state agencies, or federal agencies
14 where joint state and federal activities are undertaken and may grant
15 easements and transfer, exchange, sell, lease, or sublease all or part
16 of any surplus real estate for those state agencies which do not
17 otherwise have the specific authority to dispose of real estate. This
18 section does not transfer financial liability for the acquired property
19 to the department of general administration.

20 (2) Except for real estate occupied by federal agencies, the
21 director shall determine the location, size, and design of any real
22 estate or improvements thereon acquired or held pursuant to subsection
23 (1) of this section. Facilities acquired or held pursuant to this
24 chapter, and any improvements thereon, shall conform to standards
25 adopted by the director and approved by the office of financial
26 management governing facility efficiency and safety unless a specific
27 exemption from such standards is provided by the director. The
28 director shall report to the office of financial management annually on
29 any exemptions granted pursuant to this subsection.

30 (3) The director may fix the terms and conditions of each lease
31 entered into under this chapter, except that no lease shall extend
32 greater than twenty years in duration. The director may enter into a
33 long-term lease greater than five years in duration upon a
34 determination by the director that the long-term lease provides a more
35 favorable rate than would otherwise be available, it appears to a
36 substantial certainty that the facility is necessary for use by the
37 state for the full length of the lease term, and the facility meets the
38 standards adopted pursuant to subsection (2) of this section. The

1 director may enter into a long-term lease greater than ten years in
2 duration upon the approval by the director of financial management of
3 an analysis that shows that the life-cycle cost of leasing the facility
4 is less than the life-cycle cost of purchasing or constructing a
5 facility in lieu of leasing the facility.

6 (4) The director shall provide coordinated long-range planning
7 services to identify and evaluate opportunities for collocating and
8 consolidating state facilities. Upon the renewal of any lease, or the
9 inception of a new lease, the director shall determine whether an
10 opportunity exists for collocating the agency or agencies in a single
11 facility with other agencies located in the same geographic area. If
12 a collocation opportunity exists, the director shall consult with the
13 affected state agencies and the office of financial management to
14 evaluate the impact collocation would have on the cost and delivery of
15 agency programs, including whether program delivery would be enhanced
16 due to the centralization of services. If, after such consultation,
17 the director determines that collocating the agencies is in the best
18 interests of the state, the director shall effect the collocation.

19 (5) The director is authorized to purchase, lease, rent, or
20 otherwise acquire improved or unimproved real estate as owner or lessee
21 and to lease or sublet all or a part of such real estate to state or
22 federal agencies. The director shall charge each using agency its
23 proportionate rental which shall include an amount sufficient to pay
24 all costs, including, but not limited to, those for utilities,
25 janitorial and accounting services, and sufficient to provide for
26 contingencies; which shall not exceed five percent of the average
27 annual rental, to meet unforeseen expenses incident to management of
28 the real estate.

29 ~~((+4))~~ (6) If the director determines that it is necessary or
30 advisable to undertake any work, construction, alteration, repair, or
31 improvement on any real estate acquired pursuant to subsection((s)) (1)
32 or ~~((+3))~~ (5) of this section, the director shall cause plans and
33 specifications thereof and an estimate of the cost of such work to be
34 made and filed in his or her office and the state agency benefiting
35 thereby is hereby authorized to pay for such work out of any available
36 funds: PROVIDED, That the cost of executing such work shall not exceed
37 the sum of twenty-five thousand dollars. Work, construction,
38 alteration, repair, or improvement in excess of twenty-five thousand
39 dollars, other than that done by the owner of the property if other

1 than the state, shall be performed in accordance with the public works
2 law of this state.

3 ~~((+5))~~ (7) In order to obtain maximum utilization of space, the
4 director shall make space utilization studies, and shall establish
5 standards for use of space by state agencies. Such studies shall
6 include the identification of opportunities for collocation and
7 consolidation of state agency office and support facilities.

8 ~~((+6))~~ (8) The director may construct new buildings on, or improve
9 existing facilities, and furnish and equip, all real estate under his
10 or her management. Prior to the construction of new buildings or major
11 improvements to existing facilities, the director shall conduct an
12 evaluation of the facility design and budget using life-cycle cost
13 analysis, value-engineering, and other techniques to maximize the long-
14 term effectiveness and efficiency of the facility or improvement.

15 ~~((+7))~~ (9) All conveyances and contracts to purchase, lease, rent,
16 transfer, exchange, or sell real estate and to grant and accept
17 easements shall be approved as to form by the attorney general, signed
18 by the director or the director's designee, and recorded with the
19 county auditor of the county in which the property is located.

20 ~~((+8))~~ (10) The director may delegate any or all of the functions
21 specified in this section to any agency upon such terms and conditions
22 as the director deems advisable.

23 ~~((+9))~~ (11) This section does not apply to the acquisition of real
24 estate by:

25 (a) The state college and universities for research or experimental
26 purposes;

27 (b) The state liquor control board for liquor stores and
28 warehouses; and

29 (c) The department of natural resources, the department of
30 ~~((fisheries, the department of))~~ fish and wildlife, the department of
31 transportation, and the state parks and recreation commission for
32 purposes other than the leasing of offices, warehouses, and real estate
33 for similar purposes.

34 ~~((+10))~~ (12) Notwithstanding any provision in this chapter to the
35 contrary, the department of general administration may negotiate ground
36 leases for public lands on which property is to be acquired under a
37 financing contract pursuant to chapter 39.94 RCW under terms approved
38 by the state finance committee.

1 NEW SECTION. **Sec. 8.** The legislature finds that there is
2 currently an inequitable distribution of capital costs associated with
3 constructing, maintaining, and rehabilitating state facilities, and
4 that improving the distribution of capital costs will foster increased
5 accountability for facility decisions and more efficient use of the
6 facilities. The purpose of sections 9 through 11 of this act is to
7 create a mechanism to distribute capital costs among the agencies
8 occupying facilities owned and managed by the department of general
9 administration in Thurston county.

10 **Sec. 9.** RCW 43.01.090 and 1991 sp.s. c 31 s 10 are each amended to
11 read as follows:

12 The director of general administration may assess a charge or rent
13 against each state board, commission, agency, office, department,
14 activity, or other occupant or user for payment of a proportionate
15 share of costs for occupancy of buildings, structures, or facilities
16 including but not limited to all costs of acquiring, constructing,
17 operating, and maintaining such buildings, structures, or facilities
18 and the repair, remodeling, or furnishing thereof and for the rendering
19 of any service or the furnishing or providing of any supplies,
20 equipment, or materials.

21 The director of general administration may recover the full costs
22 including appropriate overhead charges of the foregoing by periodic
23 billings as determined by the director including but not limited to
24 transfers upon accounts and advancements into the general
25 administration facilities and services revolving fund. Charges related
26 to the rendering of real estate services under RCW 43.82.010 and to the
27 operation of nonassigned public spaces in Thurston county shall be
28 allocated separately from other charges assessed under this section.
29 Rates shall be established by the director of general administration
30 after consultation with the director of financial management. The
31 director of general administration may allot, provide, or furnish any
32 of such facilities, structures, services, equipment, supplies, or
33 materials to any other public service type occupant or user at such
34 rates or charges as are equitable and reasonably reflect the actual
35 costs of the services provided: PROVIDED, HOWEVER, That the
36 legislature, its duly constituted committees, interim committees and
37 other committees shall be exempted from the provisions of this section.

1 Upon receipt of such bill, each entity, occupant, or user shall
2 cause a warrant or check in the amount thereof to be drawn in favor of
3 the department of general administration which shall be deposited in
4 the state treasury to the credit of the general administration
5 facilities and services revolving fund established in RCW 43.19.500
6 unless the director of financial management has authorized another
7 method for payment of costs.

8 Beginning July 1, 1995, the director of general administration
9 shall assess a capital projects surcharge upon each agency or other
10 user occupying a facility owned and managed by the department of
11 general administration in Thurston county. The director, after
12 consultation with the director of financial management, shall adopt
13 differential capital project surcharge rates to reflect the differences
14 in facility type and quality. The capital projects surcharge shall be
15 in addition to other charges assessed under this section. Proceeds
16 from the capital projects surcharge shall be deposited into the
17 Thurston county capital facilities account created in section 11 of
18 this act. The assessment of a capital projects surcharge pursuant to
19 this section fulfills the requirement under section 7(11), chapter 14,
20 Laws of 1991 sp. sess. to establish space rental charges.

21 **Sec. 10.** RCW 43.19.500 and 1982 c 41 s 2 are each amended to read
22 as follows:

23 There is hereby created a fund within the state treasury designated
24 as the "department of general administration facilities and services
25 revolving fund". Such revolving fund shall be used by the department
26 of general administration for the payment of certain costs, expenses,
27 and charges, as ((hereinafter)) specified in this section, incurred by
28 it in the operation and administration of the department in the
29 rendering of services, the furnishing or supplying of equipment,
30 supplies and materials, and for providing or allocating facilities,
31 including the operation, maintenance, rehabilitation, or furnishings
32 thereof to other agencies, offices, departments, activities, and other
33 entities enumerated in RCW 43.01.090 and including the rendering of
34 services in acquiring real estate under RCW 43.82.010 and the operation
35 and maintenance of nonassigned public spaces in Thurston county. The
36 department shall treat the rendering of services in acquiring real
37 estate and the operation and maintenance of nonassigned public spaces

1 as ((a)) separate operating ((entity)) entities within the fund for
2 financial accounting and control.

3 The schedule of services, facilities, equipment, supplies,
4 materials, maintenance, rehabilitation, furnishings, operations, and
5 administration to be so financed and recovered shall be determined
6 jointly by the director of general administration and the director of
7 financial management, in equitable amounts which, together with any
8 other income or appropriation, will provide the department of general
9 administration with funds to meet its anticipated expenditures during
10 any allotment period.

11 The director of general administration may ((promulgate)) adopt
12 rules ((and regulations)) governing the provisions of RCW 43.01.090 and
13 this section and the relationships and procedures between the
14 department of general administration and such other entities.

15 NEW SECTION. Sec. 11. A new section is added to chapter 43.19 RCW
16 to read as follows:

17 The Thurston county capital facilities account is created in the
18 state treasury. The account is subject to the appropriation and
19 allotment procedures under chapter 43.88 RCW. Moneys in the account
20 may be expended for capital facilities projects, including debt service
21 payments, in facilities owned and managed by the department of general
22 administration in Thurston county.

23 NEW SECTION. Sec. 12. (1) The legislature finds that current
24 facility planning, budgeting, and management responsibilities are
25 spread among a number of state agencies, and that there may be a need
26 to consolidate these functions within a single entity with independent
27 powers and fiduciary responsibility for state facilities as a whole to
28 increase the consistency and quality of facility decisions.

29 (2) The office of financial management shall evaluate the need for
30 and potential responsibilities of a central state facilities authority
31 to coordinate and manage the design, acquisition, construction, and
32 utilization of state facilities, including leased facilities. The
33 evaluation shall include an examination of the current roles and
34 responsibilities of state agencies including the department of general
35 administration, the higher education coordinating board, the state
36 board for community and technical colleges, and the office of financial

1 management to identify critical areas for improvement and any
2 overlapping areas of responsibility.

3 (3) The office of financial management shall consider the following
4 potential responsibilities of a central facilities authority in its
5 evaluation:

6 (a) Involvement in agency master planning and facility predesign
7 activities to assist agencies in developing creative alternatives for
8 meeting program needs;

9 (b) Development of facility performance and cost standards to
10 assist in facility planning and budget evaluation;

11 (c) Critical evaluation of facility designs and budget requests
12 through life-cycle cost analysis, value-engineering, and other tools to
13 maximize the long-term effectiveness and efficiency of state
14 facilities;

15 (d) Central management of and planning for the state's facility
16 inventory, including both leased and state-owned facilities, to
17 maximize agency collocation and consolidation opportunities and create
18 identifiable state government and education centers;

19 (e) Administration and management of agency capital construction
20 projects;

21 (f) Development of leasing standards and procedures, including a
22 methodology for analyzing the costs and benefits of leasing versus
23 owning facilities, and appropriate procurement of leased, lease-
24 developed, or lease-purchased facilities;

25 (g) Development of facility operation and maintenance standards or
26 guidelines;

27 (h) Administration and allocation of centrally pooled
28 appropriations for projects affecting more than one agency or for which
29 efficiency can be enhanced by central administration; and

30 (i) Other responsibilities as determined by the office of financial
31 management.

32 (3) The evaluation shall consider increasing the responsibilities
33 and powers of an existing agency or agencies, or establishing a new
34 agency or agencies to accomplish the objectives of this section. The
35 evaluation shall also estimate the costs and benefits of operating a
36 central facility authority or authorities.

37 (4) The office of financial management shall convene a steering
38 committee composed of representatives of affected state agencies to
39 assist in collecting needed information and conducting the evaluation.

1 (5) The office of financial management shall report on the results
2 of its evaluation to the appropriate standing committees of the
3 legislature by January 10, 1995.

4 This section shall expire June 30, 1995.

5 NEW SECTION. **Sec. 13.** The office of financial management shall
6 conduct a review of the state's bonding requirements under chapter
7 39.08 RCW, shall analyze alternative forms of security, and shall
8 report its findings and analysis to the appropriate committees of the
9 senate and the house of representatives no later than January 10, 1995.
10 The alternative forms of security shall include, but not be limited to,
11 a bond in an amount less than the full contract price, letter of
12 credit, certified check, cash escrow, and assets of the contractor.
13 The purpose of the review is to determine if alternative forms of
14 security will provide essentially the same level of protection to the
15 state at a lower cost to the contractor and the state.

16 This section shall expire June 30, 1995.

17 **Sec. 14.** RCW 79.24.580 and 1993 sp.s. c 24 s 927 are each amended
18 to read as follows:

19 After deduction for management costs as provided in RCW 79.64.040
20 and payments to towns under RCW 79.92.110(2), all moneys received by
21 the state from the sale or lease of state-owned aquatic lands and from
22 the sale of valuable material from state-owned aquatic lands shall be
23 ~~((distributed as follows:—(1) To the state building bond redemption~~
24 ~~fund such amounts necessary to retire bonds issued pursuant to RCW~~
25 ~~79.24.630 through 79.24.647 prior to January 1, 1987, and for which~~
26 ~~tide and harbor area revenues have been pledged, and (2) all moneys not~~
27 ~~deposited for the purposes of subsection (1) of this section shall be))~~
28 deposited in the aquatic lands enhancement account which is hereby
29 created in the state treasury. After appropriation, these funds shall
30 be used solely for aquatic lands enhancement projects; for the
31 purchase, improvement, or protection of aquatic lands for public
32 purposes; for providing and improving access to such lands; and for
33 volunteer cooperative fish and game projects. During the fiscal
34 biennium ending June 30, 1995, the funds may be appropriated for
35 shellfish management, enforcement, and enhancement and for developing
36 and implementing plans for population monitoring and restoration of
37 native wild salmon stock.

1 NEW SECTION. **Sec. 15.** The following acts or parts of acts are
2 each repealed:

- 3 (1) RCW 43.82.040 and 1965 c 8 s 43.82.040;
- 4 (2) RCW 43.82.050 and 1965 c 8 s 43.82.050;
- 5 (3) RCW 43.82.060 and 1965 c 8 s 43.82.060;
- 6 (4) RCW 43.82.070 and 1965 c 8 s 43.82.070;
- 7 (5) RCW 43.82.080 and 1965 c 8 s 43.82.080;
- 8 (6) RCW 43.82.090 and 1979 ex.s. c 67 s 4 & 1965 c 8 s 43.82.090;
- 9 (7) RCW 43.82.110 and 1969 c 121 s 2 & 1965 c 8 s 43.82.110; and
- 10 (8) RCW 43.82.120 and 1965 c 8 s 43.82.120.

11 NEW SECTION. **Sec. 16.** The following acts or parts of acts are
12 each repealed:

- 13 (1) RCW 79.24.630 and 1970 ex.s. c 14 s 1;
- 14 (2) RCW 79.24.632 and 1969 ex.s. c 273 s 4 & 1967 ex.s. c 105 s 5;
- 15 (3) RCW 79.24.634 and 1969 ex.s. c 273 s 5 & 1967 ex.s. c 105 s 6;
- 16 (4) RCW 79.24.636 and 1969 ex.s. c 273 s 6 & 1967 ex.s. c 105 s 7;
- 17 (5) RCW 79.24.638 and 1982 2nd ex.s. c 8 s 5, 1969 ex.s. c 273 s 7,
18 & 1967 ex.s. c 105 s 8;
- 19 (6) RCW 79.24.640 and 1969 ex.s. c 273 s 8 & 1967 ex.s. c 105 s 9;
- 20 (7) RCW 79.24.642 and 1969 ex.s. c 273 s 9 & 1967 ex.s. c 105 s 10;
- 21 (8) RCW 79.24.6421 and 1969 ex.s. c 273 s 1;
- 22 (9) RCW 79.24.6422 and 1969 ex.s. c 273 s 2;
- 23 (10) RCW 79.24.644 and 1967 ex.s. c 105 s 11;
- 24 (11) RCW 79.24.645 and 1969 ex.s. c 273 s 10;
- 25 (12) RCW 79.24.646 and 1967 ex.s. c 105 s 12; and
- 26 (13) RCW 79.24.647 and 1969 ex.s. c 273 s 13.

27 NEW SECTION. **Sec. 17.** (1) For the purposes of RCW 43.82.010, "the
28 department of fish and wildlife" means "the department of fisheries and
29 the department of wildlife" until July 1, 1994.

30 (2) This section expires July 1, 1994.

31 NEW SECTION. **Sec. 18.** Sections 12 and 13 of this act are
32 necessary for the immediate preservation of the public peace, health,
33 or safety, or support of the state government and its existing public
34 institutions, and shall take effect immediately.

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