

---

HOUSE BILL 2344

---

State of Washington

53rd Legislature

1994 Regular Session

By Representatives Linville, Dunshee, Kremen, Foreman, Pruitt, Hansen, Schoesler, Eide, Lemmon, Springer, Mastin, Grant, Wineberry, Long, Brough, Talcott, Van Luven, Johanson, Sheahan, Fuhrman, Brumsickle, B. Thomas, Cooke, L. Thomas, Bray, Forner, Silver, Kessler, Dyer, Chandler, J. Kohl, Quall, Jones, Shin, Patterson, Finkbeiner, Carlson, Tate, Mielke, Rayburn, L. Johnson and Roland

Read first time 01/14/94. Referred to Committee on Appropriations.

1 AN ACT Relating to incentives for state agencies to save money;  
2 amending RCW 43.88.140; adding new sections to chapter 43.88 RCW; and  
3 creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that making government  
6 more responsive and more efficient involves changes in the civil  
7 service system, changes in the structure of the bureaucracy, and  
8 changes in the budget system. The budget system does not provide a  
9 vehicle to evaluate whether public money is being spent efficiently and  
10 effectively. Allowing agencies to assist in identifying programs and  
11 activities that can be eliminated will help set priorities for spending  
12 on those activities that are most important to accomplishing agency  
13 missions.

14 It is the intent of the legislature to provide an incentive for  
15 identifying savings by allowing agencies to include in their  
16 appropriations, sixty-five percent of the savings resulting from  
17 elimination of programs and activities identified during the budget  
18 development process. It is also the intent of the legislature to  
19 encourage public confidence in government by providing incentives for

1 spending public money more efficiently and effectively. The legislature  
2 recognizes that, in implementing programs, state employees can  
3 accomplish more with less money if they are allowed flexibility in  
4 achieving program objectives. The legislature also recognizes the need  
5 for clear policy goals that can be achieved by agency managers and  
6 employees. The combination of clear goals from the legislature and  
7 flexibility in implementation with the measures to demonstrate success  
8 in achieving the goals will result in better service to the public. The  
9 legislature supports efforts to establish a better balance between  
10 accountability for spending public money and flexibility in achieving  
11 outcomes that result in greater confidence in government.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.88 RCW  
13 to read as follows:

14 (1) The innovation and efficiency fund is created in the custody  
15 of the state treasurer. An account within the fund shall be  
16 established for each state agency. An amount equal to sixty-five  
17 percent of the difference between the amount appropriated to an agency  
18 from general fund--state revenue in the omnibus appropriations act and  
19 the amount actually expended by the agency from that source each  
20 biennium shall be deposited into that agency's account within the fund.

21 (2) Only the director of the office of financial management or, as  
22 he or she designates, the directors of each agency may authorize  
23 expenditures from the fund. The amount in a particular agency's  
24 account may be authorized for expenditure only for that agency.

25 (3) The fund is not subject to allotment under chapter 43.88 RCW,  
26 and no appropriation is required for expenditures.

27 **Sec. 3.** RCW 43.88.140 and 1981 c 270 s 9 are each amended to read  
28 as follows:

29 Thirty-five percent of all appropriations made from general fund--  
30 state revenue shall lapse at the end of the fiscal period for which the  
31 appropriations are made to the extent that they have not been expended  
32 or lawfully obligated.

33 An amount equal to sixty-five percent of all appropriations made  
34 from general fund--state revenue for a fiscal period, to the extent  
35 that they have not been expended or lawfully obligated, shall be  
36 deposited by the state treasurer into the efficiency savings account

1 after the end of the fiscal period for which the appropriations are  
2 made.

3 Any remaining appropriations shall lapse at the end of the fiscal  
4 period for which the appropriations are made to the extent that they  
5 have not been expended or lawfully obligated.

6 NEW SECTION. Sec. 4. A new section is added to chapter 43.88 RCW  
7 to read as follows:

8 During development of budget proposals to the legislature, the  
9 governor shall require recommendations from agencies of programs or  
10 expenditure items that can be eliminated in the ensuing biennium while  
11 maintaining the ability to achieve program objectives and measures  
12 identified under RCW 43.88.090. Sixty-five percent of the savings that  
13 results from elimination of a program or activity for the ensuing  
14 biennium shall be included as part of the agency's budget proposal.  
15 Any proposed budget reductions shall be credited against one hundred  
16 percent of the savings identified under this section.

--- END ---