

HOUSE BILL REPORT

HB 2261

As Passed House

January 16, 1998

Title: An act relating to reducing paperwork related to requirements for the governor's budget document.

Brief Description: Reducing paperwork for the governor's budget document.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Huff, H. Sommers and Wensman; by request of Office of Financial Management).

Brief History:

Committee Activity:

Appropriations: 3/25/97, 4/2/97 [DP].

Floor Activity:

Passed House: 4/14/97, 90-0;

Passed House: 1/16/98, 93-0.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 30 members: Representatives Huff, Chairman; Alexander, Vice Chairman; Clements, Vice Chairman; Wensman, Vice Chairman; H. Sommers, Ranking Minority Member; Doumit, Assistant Ranking Minority Member; Gombosky, Assistant Ranking Minority Member; Benson; Carlson; Chopp; Cody; Cooke; Crouse; Dyer; Grant; Keiser; Kenney; Kessler; Lambert; Linville; Lisk; Mastin; McMorris; Parlette; Poulsen; Regala; Sehlin; Sheahan; Talcott and Tokuda.

Staff: Victor Moore (786-7143).

Background: RCW 43.88, also known as the budget and accounting act, sets forth the requirements for the contents of the Governor's capital and operating budget proposals and time lines for preparation and submission of the documents. For example, the statute requires that the Governor's budget document contain revenue data by fund, provide workload information, the cost of debt service, a six-year capital plan, and long-range business plans for enterprise activities.

Under the state's accounting practices, expenditures are divided into categories known as objects.— Examples of objects of expenditure include salaries, benefits,

equipment, travel, and goods and services. These objects define what an agency spends its money for. Accounting reports are available that detail agency expenditures by object.

RCW 43.88.030 requires that the Governor's budget submittal identify prospective expenditures by object.

Summary of Bill: The requirement that the Governor's biennial budget document include prospective object of expenditure information is deleted. A new requirement that the budget data be tabulated for each agency reflects current practice at the Office of Financial Management (OFM).

There is a technical change to reference the correct RCW when referring to the Puget Sound management plan.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This is an OFM request bill. It should help streamline the budget process for the OFM and state agencies. The process will become more outcome-based. Accounting by object will still be done, but it no longer must be included in the Governor's budget proposal.

Testimony Against: It's difficult to assess the effect this will have because there are no benchmarks for comparison. Reducing paperwork may reduce the flow of information needed to determine where the budget breaks down. The object expenditure detail is needed to write budget provisions.

Testified: Candace Espeseth, Office of Financial Management (pro); and Jim King (con).