

# SENATE BILL REPORT

## SHB 2240

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As Reported By Senate Committee On:  
Ways & Means, April 16, 1997

**Title:** An act relating to the efficient use of general fund moneys.

**Brief Description:** Creating the savings incentive account.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Huff, Linville, Wolfe and Poulsen; by request of Governor Locke).

**Brief History:**

**Committee Activity:** Ways & Means: 4/16/97 [DPA].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass as amended.

Signed by Senators West, Chair; Strannigan, Vice Chair; Bauer, Fraser, Hochstatter, Kohl, Long, Loveland, McDonald, Roach, Rossi, Schow, Sheldon, Snyder, Spanel, Swecker, Thibaudeau and Winsley.

**Staff:** Steve Jones (786-7440)

**Background:** Funds are provided from dedicated accounts for the operations of state agencies on a biennial basis. General fund moneys, however, are appropriated on an annual basis as a result of the annual expenditure limit established under Initiative 601. State fiscal years begin on July 1 of each year and end on June 30. At the end of any fiscal year, any general fund moneys that remain unexpended from each appropriation reverts to the general fund and does not carry over to the following fiscal year. This reversion may act to create an incentive for state agencies to expend all available dollars to prevent the moneys from reverting to the general fund.

**Summary of Amended Bill:** The savings incentive account is created to receive a portion of the "incentive savings" that remain unexpended by state agencies at the end of each fiscal year. "Incentive savings" are defined to include all unspent general fund appropriations except for appropriations for state debt service, higher education enrollments, caseloads in entitlement programs, retirement contributions, and budget provisos where the agency failed to achieve the purpose of the proviso. Moneys in the savings incentive account are credited to the agency that contributed to moneys, and such moneys may be spent by that agency, without a legislative appropriation, for one-time purposes to improve the quality, efficiency, and effectiveness of services to customers of the state (such as employee training and incentives, technology improvements, new work processes, or performance measurements). Moneys in the savings incentive account may not be used for new programs or services or to incur on-going costs requiring future expenditures.

The education savings account is created to receive all general fund reversions that are not deposited in the savings incentive account. This appropriated account may be expended for common school construction projects or K-12 technology improvements.

**Amended Bill Compared to Substitute Bill:** The appropriation of \$75 million is deleted to prevent duplication of an identical appropriation in the 1997 supplemental budget (ESHB 2258).

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.