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HOUSE BILL 2261

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State of Washington

55th Legislature

1997 Regular Session

By Representatives Huff, H. Sommers and Wensman; by request of Office of Financial Management

Read first time 03/15/97. Referred to Committee on Appropriations.

1 AN ACT Relating to reducing paperwork related to requirements for  
2 the governor's budget document; and reenacting and amending RCW  
3 43.88.030.

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

5 **Sec. 1.** RCW 43.88.030 and 1994 c 247 s 7 and 1994 c 219 s 2 are  
6 each reenacted and amended to read as follows:

7 (1) The director of financial management shall provide all agencies  
8 with a complete set of instructions for submitting biennial budget  
9 requests to the director at least three months before agency budget  
10 documents are due into the office of financial management. The  
11 director shall provide agencies that are required under RCW 44.40.070  
12 to develop comprehensive six-year program and financial plans with a  
13 complete set of instructions for submitting these program and financial  
14 plans at the same time that instructions for submitting other budget  
15 requests are provided. The budget document or documents shall consist  
16 of the governor's budget message which shall be explanatory of the  
17 budget and shall contain an outline of the proposed financial policies  
18 of the state for the ensuing fiscal period, as well as an outline of  
19 the proposed six-year financial policies where applicable, and shall

1 describe in connection therewith the important features of the budget.  
2 The message shall set forth the reasons for salient changes from the  
3 previous fiscal period in expenditure and revenue items and shall  
4 explain any major changes in financial policy. Attached to the budget  
5 message shall be such supporting schedules, exhibits and other  
6 explanatory material in respect to both current operations and capital  
7 improvements as the governor shall deem to be useful to the  
8 legislature. The budget document or documents shall set forth a  
9 proposal for expenditures in the ensuing fiscal period, or six-year  
10 period where applicable, based upon the estimated revenues as approved  
11 by the economic and revenue forecast council or upon the estimated  
12 revenues of the office of financial management for those funds,  
13 accounts, and sources for which the office of the economic and revenue  
14 forecast council does not prepare an official forecast, including those  
15 revenues anticipated to support the six-year programs and financial  
16 plans under RCW 44.40.070. In estimating revenues to support financial  
17 plans under RCW 44.40.070, the office of financial management shall  
18 rely on information and advice from the interagency revenue task force.  
19 Revenues shall be estimated for such fiscal period from the source and  
20 at the rates existing by law at the time of submission of the budget  
21 document, including the supplemental budgets submitted in the even-  
22 numbered years of a biennium. However, the estimated revenues for use  
23 in the governor's budget document may be adjusted to reflect budgetary  
24 revenue transfers and revenue estimates dependent upon budgetary  
25 assumptions of enrollments, workloads, and caseloads. All adjustments  
26 to the approved estimated revenues must be set forth in the budget  
27 document. The governor may additionally submit, as an appendix to each  
28 supplemental, biennial, or six-year agency budget or to the budget  
29 document or documents, a proposal for expenditures in the ensuing  
30 fiscal period from revenue sources derived from proposed changes in  
31 existing statutes.

32 Supplemental and biennial documents shall reflect a six-year  
33 expenditure plan consistent with estimated revenues from existing  
34 sources and at existing rates for those agencies required to submit  
35 six-year program and financial plans under RCW 44.40.070. Any  
36 additional revenue resulting from proposed changes to existing statutes  
37 shall be separately identified within the document as well as related  
38 expenditures for the six-year period.

39 The budget document or documents shall also contain:

1 (a) Revenues classified by fund and source for the immediately past  
2 fiscal period, those received or anticipated for the current fiscal  
3 period, those anticipated for the ensuing biennium, and those  
4 anticipated for the ensuing six-year period to support the six-year  
5 programs and financial plans required under RCW 44.40.070;

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

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

10 (d) Such additional information dealing with revenues and  
11 expenditures as the governor shall deem pertinent and useful to the  
12 legislature;

13 (e) Tabulations showing expenditures classified by fund, function,  
14 activity, and ~~((object))~~ agency;

15 (f) A delineation of each agency's activities, including those  
16 activities funded from nonbudgeted, nonappropriated sources, including  
17 funds maintained outside the state treasury;

18 (g) Identification of all proposed direct expenditures to implement  
19 the Puget Sound ~~((water—quality))~~ management plan under chapter  
20 ~~((90.70))~~ 90.71 RCW, shown by agency and in total; and

21 (h) Tabulations showing each postretirement adjustment by  
22 retirement system established after fiscal year 1991, to include, but  
23 not be limited to, estimated total payments made to the end of the  
24 previous biennial period, estimated payments for the present biennium,  
25 and estimated payments for the ensuing biennium.

26 (2) The budget document or documents shall include detailed  
27 estimates of all anticipated revenues applicable to proposed operating  
28 or capital expenditures and shall also include all proposed operating  
29 or capital expenditures. The total of beginning undesignated fund  
30 balance and estimated revenues less working capital and other reserves  
31 shall equal or exceed the total of proposed applicable expenditures.  
32 The budget document or documents shall further include:

33 (a) Interest, amortization and redemption charges on the state  
34 debt;

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

36 (c) Other statutory expenditures;

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

38 (e) Revenues derived from agency operations;

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

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

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

10 (i) A showing, by agency, of the value and purpose of financing  
11 contracts for the lease/purchase or acquisition of personal or real  
12 property for the current and ensuing fiscal periods; and

13 (j) A showing and explanation of anticipated amounts of general  
14 fund and other funds required to amortize the unfunded actuarial  
15 accrued liability of the retirement system specified under chapter  
16 41.45 RCW, and the contributions to meet such amortization, stated in  
17 total dollars and as a level percentage of total compensation.

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

20 (a) A statement setting forth a long-range facilities plan for the  
21 state that identifies and includes the highest priority needs within  
22 affordable spending levels;

23 (b) A capital program consisting of proposed capital projects for  
24 the next biennium and the two biennia succeeding the next biennium  
25 consistent with the long-range facilities plan. Inasmuch as is  
26 practical, and recognizing emergent needs, the capital program shall  
27 reflect the priorities, projects, and spending levels proposed in  
28 previously submitted capital budget documents in order to provide a  
29 reliable long-range planning tool for the legislature and state  
30 agencies;

31 (c) A capital plan consisting of proposed capital spending for at  
32 least four biennia succeeding the next biennium;

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

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

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

38 (g) Estimated total project cost;

1 (h) For major projects valued over five million dollars, estimated  
2 costs for the following project components: Acquisition, consultant  
3 services, construction, equipment, project management, and other costs  
4 included as part of the project. Project component costs shall be  
5 displayed in a standard format defined by the office of financial  
6 management to allow comparisons between projects;

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

9 (j) Estimated ensuing biennium costs;

10 (k) Estimated costs beyond the ensuing biennium;

11 (l) Estimated construction start and completion dates;

12 (m) Source and type of funds proposed;

13 (n) Estimated ongoing operating budget costs or savings resulting  
14 from the project, including staffing and maintenance costs;

15 (o) For any capital appropriation requested for a state agency for  
16 the acquisition of land or the capital improvement of land in which the  
17 primary purpose of the acquisition or improvement is recreation or  
18 wildlife habitat conservation, the capital budget document, or an  
19 omnibus list of recreation and habitat acquisitions provided with the  
20 governor's budget document, shall identify the projected costs of  
21 operation and maintenance for at least the two biennia succeeding the  
22 next biennium. Omnibus lists of habitat and recreation land  
23 acquisitions shall include individual project cost estimates for  
24 operation and maintenance as well as a total for all state projects  
25 included in the list. The document shall identify the source of funds  
26 from which the operation and maintenance costs are proposed to be  
27 funded;

28 (p) Such other information bearing upon capital projects as the  
29 governor deems to be useful;

30 (q) Standard terms, including a standard and uniform definition of  
31 maintenance for all capital projects;

32 (r) Such other information as the legislature may direct by law or  
33 concurrent resolution.

34 For purposes of this subsection (3), the term "capital project"  
35 shall be defined subsequent to the analysis, findings, and  
36 recommendations of a joint committee comprised of representatives from  
37 the house capital appropriations committee, senate ways and means  
38 committee, legislative transportation committee, legislative evaluation

1 and accountability program committee, and office of financial  
2 management.

3 (4) No change affecting the comparability of agency or program  
4 information relating to expenditures, revenues, workload, performance  
5 and personnel shall be made in the format of any budget document or  
6 report presented to the legislature under this section or RCW  
7 43.88.160(1) relative to the format of the budget document or report  
8 which was presented to the previous regular session of the legislature  
9 during an odd-numbered year without prior legislative concurrence.  
10 Prior legislative concurrence shall consist of (a) a favorable majority  
11 vote on the proposal by the standing committees on ways and means of  
12 both houses if the legislature is in session or (b) a favorable  
13 majority vote on the proposal by members of the legislative evaluation  
14 and accountability program committee if the legislature is not in  
15 session.

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