
SENATE BILL 6818

State of Washington 56th Legislature 2000 Regular Session

By Senators Goings, Horn, Costa and Gardner

Read first time 02/01/2000. Referred to Committee on Transportation.

1 AN ACT Relating to the interagency revenue task force; and amending
2 RCW 43.88.020, 43.88.030, 43.88.120, 43.88.122, and 44.40.070.

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

4 **Sec. 1.** RCW 43.88.020 and 1996 c 288 s 23 are each amended to read
5 as follows:

6 (1) "Budget" means a proposed plan of expenditures for a given
7 period or purpose and the proposed means for financing these
8 expenditures.

9 (2) "Budget document" means a formal statement, either written or
10 provided on any electronic media or both, offered by the governor to
11 the legislature, as provided in RCW 43.88.030.

12 (3) "Director of financial management" means the official appointed
13 by the governor to serve at the governor's pleasure and to whom the
14 governor may delegate necessary authority to carry out the governor's
15 duties as provided in this chapter. The director of financial
16 management shall be head of the office of financial management which
17 shall be in the office of the governor.

18 (4) "Agency" means and includes every state office, officer, each
19 institution, whether educational, correctional, or other, and every

1 department, division, board, and commission, except as otherwise
2 provided in this chapter.

3 (5) "Public funds", for purposes of this chapter, means all moneys,
4 including cash, checks, bills, notes, drafts, stocks, and bonds,
5 whether held in trust, for operating purposes, or for capital purposes,
6 and collected or disbursed under law, whether or not such funds are
7 otherwise subject to legislative appropriation, including funds
8 maintained outside the state treasury.

9 (6) "Regulations" means the policies, standards, and requirements,
10 stated in writing, designed to carry out the purposes of this chapter,
11 as issued by the governor or the governor's designated agent, and which
12 shall have the force and effect of law.

13 (7) "Ensuing biennium" means the fiscal biennium beginning on July
14 1st of the same year in which a regular session of the legislature is
15 held during an odd-numbered year pursuant to Article II, section 12 of
16 the Constitution and which biennium next succeeds the current biennium.

17 (8) "Dedicated fund" means a fund in the state treasury, or a
18 separate account or fund in the general fund in the state treasury,
19 that by law is dedicated, appropriated, or set aside for a limited
20 object or purpose; but "dedicated fund" does not include a revolving
21 fund or a trust fund.

22 (9) "Revolving fund" means a fund in the state treasury,
23 established by law, from which is paid the cost of goods or services
24 furnished to or by a state agency, and which is replenished through
25 charges made for such goods or services or through transfers from other
26 accounts or funds.

27 (10) "Trust fund" means a fund in the state treasury in which
28 designated persons or classes of persons have a vested beneficial
29 interest or equitable ownership, or which was created or established by
30 a gift, grant, contribution, devise, or bequest that limits the use of
31 the fund to designated objects or purposes.

32 (11) "Administrative expenses" means expenditures for: (a)
33 Salaries, wages, and related costs of personnel and (b) operations and
34 maintenance including but not limited to costs of supplies, materials,
35 services, and equipment.

36 (12) "Fiscal year" means the year beginning July 1st and ending the
37 following June 30th.

38 (13) "Lapse" means the termination of authority to expend an
39 appropriation.

1 (14) "Legislative fiscal committees" means the joint legislative
2 audit and review committee, the legislative evaluation and
3 accountability program committee, the ways and means committees of the
4 senate and house of representatives, and, where appropriate, the
5 ~~((legislative))~~ transportation committees of the senate and the house
6 of representatives.

7 (15) "Fiscal period" means the period for which an appropriation is
8 made as specified within the act making the appropriation.

9 (16) "Primary budget driver" means the primary determinant of a
10 budget level, other than a price variable, which causes or is
11 associated with the major expenditure of an agency or budget unit
12 within an agency, such as a caseload, enrollment, workload, or
13 population statistic.

14 (17) "State tax revenue limit" means the limitation created by
15 chapter 43.135 RCW.

16 (18) "General state revenues" means the revenues defined by Article
17 VIII, section 1(c) of the state Constitution.

18 (19) "Annual growth rate in real personal income" means the
19 estimated percentage growth in personal income for the state during the
20 current fiscal year, expressed in constant value dollars, as published
21 by the office of financial management or its successor agency.

22 (20) "Estimated revenues" means estimates of revenue in the most
23 recent official economic and revenue forecast prepared under RCW
24 82.33.020, and prepared by the office of financial management for those
25 funds, accounts, and sources for which the office of the economic and
26 revenue forecast council does not prepare an official forecast
27 including estimates of revenues to support financial plans under RCW
28 44.40.070, that are prepared by the office of financial management in
29 consultation with the ~~((interagency))~~ transportation revenue task
30 force.

31 (21) "Estimated receipts" means the estimated receipt of cash in
32 the most recent official economic and revenue forecast prepared under
33 RCW 82.33.020, and prepared by the office of financial management for
34 those funds, accounts, and sources for which the office of the economic
35 and revenue forecast council does not prepare an official forecast.

36 (22) "State budgeting, accounting, and reporting system" means a
37 system that gathers, maintains, and communicates fiscal information.
38 The system links fiscal information beginning with development of

1 agency budget requests through adoption of legislative appropriations
2 to tracking actual receipts and expenditures against approved plans.

3 (23) "Allotment of appropriation" means the agency's statement of
4 proposed expenditures, the director of financial management's review of
5 that statement, and the placement of the approved statement into the
6 state budgeting, accounting, and reporting system.

7 (24) "Statement of proposed expenditures" means a plan prepared by
8 each agency that breaks each appropriation out into monthly detail
9 representing the best estimate of how the appropriation will be
10 expended.

11 (25) "Undesignated fund balance (or deficit)" means unreserved and
12 undesignated current assets or other resources available for
13 expenditure over and above any current liabilities which are expected
14 to be incurred by the close of the fiscal period.

15 (26) "Internal audit" means an independent appraisal activity
16 within an agency for the review of operations as a service to
17 management, including a systematic examination of accounting and fiscal
18 controls to assure that human and material resources are guarded
19 against waste, loss, or misuse; and that reliable data are gathered,
20 maintained, and fairly disclosed in a written report of the audit
21 findings.

22 (27) "Performance verification" means an analysis that (a) verifies
23 the accuracy of data used by state agencies in quantifying intended
24 results and measuring performance toward those results, and (b)
25 verifies whether or not the reported results were achieved.

26 (28) "Performance audit" has the same meaning as it is defined in
27 RCW 44.28.005.

28 **Sec. 2.** RCW 43.88.030 and 1998 c 346 s 910 are each amended to
29 read as follows:

30 (1) The director of financial management shall provide all agencies
31 with a complete set of instructions for submitting biennial budget
32 requests to the director at least three months before agency budget
33 documents are due into the office of financial management. The
34 director shall provide agencies that are required under RCW 44.40.070
35 to develop comprehensive six-year program and financial plans with a
36 complete set of instructions for submitting these program and financial
37 plans at the same time that instructions for submitting other budget
38 requests are provided. The budget document or documents shall consist

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

37 Supplemental and biennial documents shall reflect a six-year
38 expenditure plan consistent with estimated revenues from existing
39 sources and at existing rates for those agencies required to submit

1 six-year program and financial plans under RCW 44.40.070. Any
2 additional revenue resulting from proposed changes to existing statutes
3 shall be separately identified within the document as well as related
4 expenditures for the six-year period.

5 The budget document or documents shall also contain:

6 (a) Revenues classified by fund and source for the immediately past
7 fiscal period, those received or anticipated for the current fiscal
8 period, those anticipated for the ensuing biennium, and those
9 anticipated for the ensuing six-year period to support the six-year
10 programs and financial plans required under RCW 44.40.070;

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

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

15 (d) Such additional information dealing with revenues and
16 expenditures as the governor shall deem pertinent and useful to the
17 legislature;

18 (e) Tabulations showing expenditures classified by fund, function,
19 activity, and agency;

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

23 (g) Identification of all proposed direct expenditures to implement
24 the Puget Sound water quality plan under chapter 90.71 RCW, shown by
25 agency and in total; and

26 (h) Tabulations showing each postretirement adjustment by
27 retirement system established after fiscal year 1991, to include, but
28 not be limited to, estimated total payments made to the end of the
29 previous biennial period, estimated payments for the present biennium,
30 and estimated payments for the ensuing biennium.

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

38 (a) Interest, amortization and redemption charges on the state
39 debt;

1 (b) Payments of all reliefs, judgments, and claims;
2 (c) Other statutory expenditures;
3 (d) Expenditures incident to the operation for each agency;
4 (e) Revenues derived from agency operations;
5 (f) Expenditures and revenues shall be given in comparative form
6 showing those incurred or received for the immediately past fiscal
7 period and those anticipated for the current biennium and next ensuing
8 biennium, as well as those required to support the six-year programs
9 and financial plans required under RCW 44.40.070;
10 (g) A showing and explanation of amounts of general fund and other
11 funds obligations for debt service and any transfers of moneys that
12 otherwise would have been available for appropriation;
13 (h) Common school expenditures on a fiscal-year basis;
14 (i) A showing, by agency, of the value and purpose of financing
15 contracts for the lease/purchase or acquisition of personal or real
16 property for the current and ensuing fiscal periods; and
17 (j) A showing and explanation of anticipated amounts of general
18 fund and other funds required to amortize the unfunded actuarial
19 accrued liability of the retirement system specified under chapter
20 41.45 RCW, and the contributions to meet such amortization, stated in
21 total dollars and as a level percentage of total compensation.
22 (3) A separate capital budget document or schedule shall be
23 submitted that will contain the following:
24 (a) A statement setting forth a long-range facilities plan for the
25 state that identifies and includes the highest priority needs within
26 affordable spending levels;
27 (b) A capital program consisting of proposed capital projects for
28 the next biennium and the two biennia succeeding the next biennium
29 consistent with the long-range facilities plan. Inasmuch as is
30 practical, and recognizing emergent needs, the capital program shall
31 reflect the priorities, projects, and spending levels proposed in
32 previously submitted capital budget documents in order to provide a
33 reliable long-range planning tool for the legislature and state
34 agencies;
35 (c) A capital plan consisting of proposed capital spending for at
36 least four biennia succeeding the next biennium;
37 (d) A strategic plan for reducing backlogs of maintenance and
38 repair projects. The plan shall include a prioritized list of specific
39 facility deficiencies and capital projects to address the deficiencies

1 for each agency, cost estimates for each project, a schedule for
2 completing projects over a reasonable period of time, and
3 identification of normal maintenance activities to reduce future
4 backlogs;

5 (e) A statement of the reason or purpose for a project;

6 (f) Verification that a project is consistent with the provisions
7 set forth in chapter 36.70A RCW;

8 (g) A statement about the proposed site, size, and estimated life
9 of the project, if applicable;

10 (h) Estimated total project cost;

11 (i) For major projects valued over five million dollars, estimated
12 costs for the following project components: Acquisition, consultant
13 services, construction, equipment, project management, and other costs
14 included as part of the project. Project component costs shall be
15 displayed in a standard format defined by the office of financial
16 management to allow comparisons between projects;

17 (j) Estimated total project cost for each phase of the project as
18 defined by the office of financial management;

19 (k) Estimated ensuing biennium costs;

20 (l) Estimated costs beyond the ensuing biennium;

21 (m) Estimated construction start and completion dates;

22 (n) Source and type of funds proposed;

23 (o) Estimated ongoing operating budget costs or savings resulting
24 from the project, including staffing and maintenance costs;

25 (p) For any capital appropriation requested for a state agency for
26 the acquisition of land or the capital improvement of land in which the
27 primary purpose of the acquisition or improvement is recreation or
28 wildlife habitat conservation, the capital budget document, or an
29 omnibus list of recreation and habitat acquisitions provided with the
30 governor's budget document, shall identify the projected costs of
31 operation and maintenance for at least the two biennia succeeding the
32 next biennium. Omnibus lists of habitat and recreation land
33 acquisitions shall include individual project cost estimates for
34 operation and maintenance as well as a total for all state projects
35 included in the list. The document shall identify the source of funds
36 from which the operation and maintenance costs are proposed to be
37 funded;

38 (q) Such other information bearing upon capital projects as the
39 governor deems to be useful;

1 (r) Standard terms, including a standard and uniform definition of
2 normal maintenance, for all capital projects;

3 (s) Such other information as the legislature may direct by law or
4 concurrent resolution.

5 For purposes of this subsection (3), the term "capital project"
6 shall be defined subsequent to the analysis, findings, and
7 recommendations of a joint committee comprised of representatives from
8 the house capital appropriations committee, senate ways and means
9 committee, (~~legislative~~) senate transportation committee, house
10 transportation committee, legislative evaluation and accountability
11 program committee, and office of financial management.

12 (4) No change affecting the comparability of agency or program
13 information relating to expenditures, revenues, workload, performance
14 and personnel shall be made in the format of any budget document or
15 report presented to the legislature under this section or RCW
16 43.88.160(1) relative to the format of the budget document or report
17 which was presented to the previous regular session of the legislature
18 during an odd-numbered year without prior legislative concurrence.
19 Prior legislative concurrence shall consist of (a) a favorable majority
20 vote on the proposal by the standing committees on ways and means of
21 both houses if the legislature is in session or (b) a favorable
22 majority vote on the proposal by members of the legislative evaluation
23 and accountability program committee if the legislature is not in
24 session.

25 **Sec. 3.** RCW 43.88.120 and 1991 c 358 s 3 are each amended to read
26 as follows:

27 Each agency engaged in the collection of revenues shall prepare
28 estimated revenues and estimated receipts for the current and ensuing
29 biennium and shall submit the estimates to the director of financial
30 management and the director of revenue at times and in the form
31 specified by the directors, along with any other information which the
32 directors may request. For those agencies required to develop six-year
33 programs and financial plans under RCW 44.40.070, six-year revenue
34 estimates shall be submitted to the director of financial management
35 and the (~~legislative~~) transportation committees of the senate and the
36 house of representatives unless the responsibility for reporting these
37 revenue estimates is assumed elsewhere.

1 A copy of such revenue estimates shall be simultaneously submitted
2 to the economic and revenue forecast work group when required by the
3 office of the economic and revenue forecast council.

4 **Sec. 4.** RCW 43.88.122 and 1991 c 358 s 7 are each amended to read
5 as follows:

6 Where there are variances of revenue forecasts between the office
7 of financial management and the ((interagency)) transportation revenue
8 task force, for those transportation agencies that are required to
9 develop plans under RCW 44.40.070, the office of financial management
10 shall submit (1) a reconciliation of the differences between the
11 revenue forecasts and (2) the assumptions used by the office of
12 financial management to the ((legislative)) transportation committees
13 of the senate and the house of representatives.

14 **Sec. 5.** RCW 44.40.070 and 1998 c 245 s 87 are each amended to read
15 as follows:

16 Prior to October 1st of each even-numbered year the transportation
17 revenue task force, consisting of all state agencies whose major
18 programs consist of transportation activities, including the department
19 of transportation, the transportation improvement board, the Washington
20 state patrol, the department of licensing, the traffic safety
21 commission, the county road administration board, and the board of
22 pilotage commissioners, shall adopt or revise, after consultation with
23 the ((legislative)) transportation committees of the senate and the
24 house of representatives, a comprehensive six-year program and
25 financial plan for all transportation activities under each agency's
26 jurisdiction.

27 The comprehensive six-year program and financial plan shall state
28 the general objectives and needs of each agency's major transportation
29 programs, including workload and performance estimates.

--- END ---