
HOUSE BILL 3006

State of Washington 58th Legislature 2004 Regular Session

By Representative Sommers; by request of Office of Financial Management

Read first time 01/26/2004. Referred to Committee on Appropriations.

1 AN ACT Relating to submitting budget requests to the director of
2 financial management; and amending RCW 43.88.030.

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

4 **Sec. 1.** RCW 43.88.030 and 2002 c 371 s 911 are each amended to
5 read as follows:

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

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

33 Supplemental and biennial documents shall reflect a six-year
34 expenditure plan consistent with estimated revenues from existing
35 sources and at existing rates for those agencies required to submit
36 six-year program and financial plans under RCW 44.40.070. Any
37 additional revenue resulting from proposed changes to existing statutes

1 shall be separately identified within the document as well as related
2 expenditures for the six-year period.

3 The budget document or documents shall also contain:

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

9 (b) The undesignated fund balance or deficit, by ~~((fund))~~ account;

10 ~~((Such additional information dealing with expenditures,~~
11 ~~revenues, workload, performance, and personnel as the legislature may~~
12 ~~direct by law or concurrent resolution;~~

13 ~~(d) Such additional information dealing with revenues and~~
14 ~~expenditures as))~~ Other supporting exhibits or explanatory material
15 that the governor ~~((shall deem pertinent and))~~ considers useful to the
16 legislature or the public;

17 ~~((e) Tabulations showing))~~ (d) Expenditures classified by ~~((fund))~~
18 account, function, ~~((activity,))~~ and agency. ~~((However, documents~~
19 ~~submitted for the 2003-05 biennial budget request need not show~~
20 ~~expenditures by activity;~~

21 ~~(f) A delineation of each agency's activities, including those~~
22 ~~activities funded from))~~ The expenditures will also include
23 nonbudgeted, nonappropriated ~~((sources, including funds maintained))~~
24 accounts outside the state treasury;

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

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

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

1 shall equal or exceed the total of proposed applicable expenditures.
2 The budget document or documents shall further include:

- 3 (a) Interest, amortization and redemption charges on the state
4 debt;
- 5 (b) Payments of all reliefs, judgments, and claims;
- 6 (c) Other statutory expenditures;
- 7 (d) Expenditures incident to the operation for each agency;
- 8 (e) Revenues derived from agency operations;
- 9 (f) Expenditures and revenues shall be given in comparative form
10 showing those incurred or received for the immediately past fiscal
11 period and those anticipated for the current biennium and next ensuing
12 biennium, as well as those required to support the six-year programs
13 and financial plans required under RCW 44.40.070;
- 14 (g) A showing and explanation of amounts of general fund and other
15 funds obligations for debt service and any transfers of moneys that
16 otherwise would have been available for appropriation;
- 17 (h) Common school expenditures on a fiscal-year basis;
- 18 (i) A showing, by agency, of the value and purpose of financing
19 contracts for the lease/purchase or acquisition of personal or real
20 property for the current and ensuing fiscal periods; and
- 21 (j) A showing and explanation of anticipated amounts of general
22 fund and other funds required to amortize the unfunded actuarial
23 accrued liability of the retirement system specified under chapter
24 41.45 RCW, and the contributions to meet such amortization, stated in
25 total dollars and as a level percentage of total compensation.

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

- 28 (a) A statement setting forth a long-range facilities plan for the
29 state that identifies and includes the highest priority needs within
30 affordable spending levels;
- 31 (b) A capital program consisting of proposed capital projects for
32 the next biennium and the two biennia succeeding the next biennium
33 consistent with the long-range facilities plan. Inasmuch as is
34 practical, and recognizing emergent needs, the capital program shall
35 reflect the priorities, projects, and spending levels proposed in
36 previously submitted capital budget documents in order to provide a
37 reliable long-range planning tool for the legislature and state
38 agencies;

- 1 (c) A capital plan consisting of proposed capital spending for at
2 least four biennia succeeding the next biennium;
- 3 (d) A strategic plan for reducing backlogs of maintenance and
4 repair projects. The plan shall include a prioritized list of specific
5 facility deficiencies and capital projects to address the deficiencies
6 for each agency, cost estimates for each project, a schedule for
7 completing projects over a reasonable period of time, and
8 identification of normal maintenance activities to reduce future
9 backlogs;
- 10 (e) A statement of the reason or purpose for a project;
- 11 (f) Verification that a project is consistent with the provisions
12 set forth in chapter 36.70A RCW;
- 13 (g) A statement about the proposed site, size, and estimated life
14 of the project, if applicable;
- 15 (h) Estimated total project cost;
- 16 (i) For major projects valued over five million dollars, estimated
17 costs for the following project components: Acquisition, consultant
18 services, construction, equipment, project management, and other costs
19 included as part of the project. Project component costs shall be
20 displayed in a standard format defined by the office of financial
21 management to allow comparisons between projects;
- 22 (j) Estimated total project cost for each phase of the project as
23 defined by the office of financial management;
- 24 (k) Estimated ensuing biennium costs;
- 25 (l) Estimated costs beyond the ensuing biennium;
- 26 (m) Estimated construction start and completion dates;
- 27 (n) Source and type of funds proposed;
- 28 (o) Estimated ongoing operating budget costs or savings resulting
29 from the project, including staffing and maintenance costs;
- 30 (p) For any capital appropriation requested for a state agency for
31 the acquisition of land or the capital improvement of land in which the
32 primary purpose of the acquisition or improvement is recreation or
33 wildlife habitat conservation, the capital budget document, or an
34 omnibus list of recreation and habitat acquisitions provided with the
35 governor's budget document, shall identify the projected costs of
36 operation and maintenance for at least the two biennia succeeding the
37 next biennium. Omnibus lists of habitat and recreation land
38 acquisitions shall include individual project cost estimates for

1 operation and maintenance as well as a total for all state projects
2 included in the list. The document shall identify the source of funds
3 from which the operation and maintenance costs are proposed to be
4 funded;

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

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

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

11 For purposes of this subsection (3), the term "capital project"
12 shall be defined subsequent to the analysis, findings, and
13 recommendations of a joint committee comprised of representatives from
14 the house capital appropriations committee, senate ways and means
15 committee, legislative transportation committee, legislative evaluation
16 and accountability program committee, and office of financial
17 management.

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

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