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SENATE BILL 5987

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State of Washington

58th Legislature

2003 Regular Session

By Senators Swecker, Haugen, Horn, Jacobsen, Prentice, Esser, Oke and Rasmussen

Read first time 02/27/2003. Referred to Committee on Highways & Transportation.

1 AN ACT Relating to the roles and responsibilities of transportation  
2 agencies; amending RCW 47.01.041, 47.01.071, 47.01.260, 47.01.081,  
3 47.80.030, 47.80.060, 47.80.070, 47.05.030, 43.88.020, and 43.88.150;  
4 reenacting and amending RCW 47.01.101; adding a new section to chapter  
5 47.06 RCW; adding new sections to chapter 43.88 RCW; creating new  
6 sections; repealing RCW 47.08.010; providing expiration dates; and  
7 declaring an emergency.

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

9 **Sec. 1.** RCW 47.01.041 and 1983 1st ex.s. c 53 s 28 are each  
10 amended to read as follows:

11 The executive head of the department of transportation shall be the  
12 secretary of transportation, who shall be appointed by the  
13 transportation commission, and shall be paid a salary to be fixed by  
14 the governor in accordance with the provisions of RCW 43.03.040. The  
15 secretary shall be an ex officio member of the commission without a  
16 vote. The secretary shall be the chief executive officer of the  
17 commission and be responsible to it, and shall be guided by policies  
18 established by it. The secretary shall serve ~~((until))~~ at the pleasure  
19 of the commission and may be removed by the commission~~((, but only for~~

1 ~~incapacity, incompetence, neglect of duty, malfeasance in office, or~~  
2 ~~failure to carry out the commission's policies)).~~ Before a motion for  
3 dismissal shall be acted on by the commission, the secretary shall be  
4 granted a hearing on formal written charges before the full commission.  
5 An action by the commission to remove the secretary shall be final.

6 **Sec. 2.** RCW 47.01.071 and 1981 c 59 s 2 are each amended to read  
7 as follows:

8 The transportation commission shall have the following functions,  
9 powers, and duties:

10 (1) To propose policies to be adopted by the legislature designed  
11 to assure the development and maintenance of a comprehensive and  
12 balanced statewide transportation system which will meet the needs of  
13 the people of this state for safe and efficient transportation  
14 services. Wherever appropriate the policies shall provide for the use  
15 of integrated, intermodal transportation systems to implement the  
16 social, economic, and environmental policies, goals, and objectives of  
17 the people of the state, and especially to conserve nonrenewable  
18 natural resources including land and energy. To this end the  
19 commission shall:

20 (a) Develop transportation policies which are based on the  
21 policies, goals, and objectives expressed and inherent in existing  
22 state laws, including direction by the legislature as expressed in the  
23 omnibus transportation budgets;

24 (b) Inventory the adopted policies, goals, and objectives of the  
25 local and area-wide governmental bodies of the state and define the  
26 role of the state, regional, and local governments in determining  
27 transportation policies, in transportation planning, and in  
28 implementing the state transportation plan;

29 (c) Propose a transportation policy for the state(~~(, and after~~  
30 ~~notice and public hearings, submit the proposal to the legislative~~  
31 ~~transportation committee and the senate and house transportation~~  
32 ~~committees by January 1, 1978, for consideration in the next~~  
33 ~~legislative session)) to be adopted by the legislature;~~

34 (d) Establish a procedure for review and revision of the state  
35 transportation policy and for submission of proposed changes to the  
36 legislature;

1 (e) To integrate the statewide transportation plan with the needs  
2 of the elderly and handicapped, and to coordinate federal and state  
3 programs directed at assisting local governments to answer such needs;

4 (2) To establish the policy of the department to be followed by the  
5 secretary on each of the following items:

6 (a) To provide for the effective coordination of state  
7 transportation planning with national transportation policy, state and  
8 local land use policies, and local and regional transportation plans  
9 and programs;

10 (b) To provide for public involvement in transportation designed to  
11 elicit the public's views both with respect to adequate transportation  
12 services and appropriate means of minimizing adverse social, economic,  
13 environmental, and energy impact of transportation programs;

14 (c) To provide for the administration of grants in aid and other  
15 financial assistance to counties and municipal corporations for  
16 transportation purposes;

17 (d) To provide for the management, sale, and lease of property or  
18 property rights owned by the department which are not required for  
19 transportation purposes;

20 (3)(a) To direct the secretary to (~~prepare and submit to the~~  
21 ~~commission a comprehensive and balanced statewide transportation plan~~  
22 ~~which shall be based on the transportation policy adopted by the~~  
23 ~~legislature and applicable state and federal laws. After public notice~~  
24 ~~and hearings, the commission shall adopt the plan and submit it to the~~  
25 ~~legislative transportation committee and to the house and senate~~  
26 ~~standing committees on transportation before January 1, 1980, for~~  
27 ~~consideration in the 1980 regular legislative session)) provide to the  
28 commission technical research, studies, and a needs analysis for  
29 preparation of the statewide transportation plan.~~

30 (b) The plan shall be reviewed and revised prior to each regular  
31 session of the legislature during an even-numbered year (~~thereafter.~~  
32 ~~A preliminary plan shall be submitted to such committees by January 1,~~  
33 ~~1979)) for adoption by the legislature under section 3 of this act.~~

34 (c) The plan, including any revisions, shall take into account the  
35 state transportation policy adopted by the legislature, including  
36 direction by the legislature as expressed in the omnibus transportation  
37 budgets, and federal law and regulations relating to the planning,  
38 construction, and operation of transportation facilities;

1 (4) To propose to the governor and the legislature prior to the  
2 convening of each regular session held in an odd-numbered year a  
3 recommended budget for the operations of the commission as required by  
4 RCW 47.01.061;

5 (5) To approve and propose to the governor and to the legislature  
6 prior to the convening of each regular session during an odd-numbered  
7 year a recommended budget for the operation of the department and for  
8 carrying out the program of the department for the ensuing biennium.  
9 The proposed budget shall separately state the appropriations to be  
10 made from the motor vehicle fund for highway purposes in accordance  
11 with constitutional limitations and appropriations and expenditures to  
12 be made from the general fund, or accounts thereof, and other available  
13 sources for other operations and programs of the department;

14 (6) To review and authorize all departmental requests for  
15 legislation;

16 (7) To approve the issuance and sale of all bonds authorized by the  
17 legislature for capital construction of state highways, toll  
18 facilities, Columbia Basin county roads (for which reimbursement to the  
19 motor vehicle fund has been provided), urban arterial projects, and  
20 aviation facilities;

21 (8) To adopt such rules, regulations, and policy directives as may  
22 be necessary to carry out reasonably and properly those functions  
23 expressly vested in the commission by statute;

24 (9) To delegate any of its powers to the secretary of  
25 transportation whenever it deems it desirable for the efficient  
26 administration of the department and consistent with the purposes of  
27 this title;

28 (10) To review the statewide transportation improvement plan that  
29 is developed and submitted by the governor for federal transportation  
30 planning purposes. The commission shall make recommendations regarding  
31 the plan before submission by the governor, and shall ensure that its  
32 recommendations are consistent with the policies stated in the statewide  
33 transportation plan as adopted by the legislature; and

34 (11) To exercise such other specific powers and duties as may be  
35 vested in the transportation commission by this or any other provision  
36 of law.

1        NEW SECTION.    **Sec. 3.**    A new section is added to chapter 47.06 RCW  
2 to read as follows:

3        The legislature shall adopt the statewide transportation plan under  
4 RCW 47.01.071(3), including any revisions to the plan, in order to  
5 ensure that it clearly enumerates the state transportation policy.

6        NEW SECTION.    **Sec. 4.**    (1) The legislative transportation committee  
7 and the transportation commission shall establish a joint work group to  
8 develop a work plan for the 2003 legislative interim for the purpose of  
9 recommending revisions to the statewide transportation plan under RCW  
10 47.01.071. The work group shall at a minimum develop recommendations  
11 that:

12        (a) Propose changes to chapter 47.06 RCW, regarding statewide  
13 transportation planning;

14        (b) Propose changes to chapter 47.05 RCW, regarding priority  
15 programming for highway development;

16        (c) Improve the needs analysis process in RCW 47.05.030;

17        (d) Integrate the needs analysis process in RCW 47.05.030 and the  
18 benchmark measures of RCW 47.01.012 (section 101, chapter 5, Laws of  
19 2002); and

20        (e) Develop guidelines for regional transportation planning  
21 organizations to incorporate state policies into long-range  
22 transportation plans.

23        (2) The work group shall submit its recommendations under this  
24 section to the legislature and the governor by December 1, 2003.

25        **Sec. 5.**    RCW 47.01.260 and 1983 c 29 s 1 are each amended to read  
26 as follows:

27        (1) The department of transportation, under the direction of the  
28 commission pursuant to legislative direction, shall exercise all the  
29 powers and perform all the duties necessary, convenient, or incidental  
30 to the planning, locating, designing, constructing, improving,  
31 repairing, operating, and maintaining state highways, including bridges  
32 and other structures, culverts, and drainage facilities and channel  
33 changes necessary for the protection of state highways, and shall  
34 examine and allow or disallow bills for any work or services performed  
35 or materials, equipment, or supplies furnished.

1 (2) Subject to the limitations of RCW 4.24.115, the department, in  
2 the exercise of any of its powers, may include in any authorized  
3 contract a provision for indemnifying the other contracting party  
4 against specific loss or damages arising out of the performance of the  
5 contract.

6 (3) The department is authorized to acquire property as provided by  
7 law and to construct and maintain thereon any buildings or structures  
8 necessary or convenient for the planning, design, construction,  
9 operation, maintenance, and administration of the state highway system  
10 and to acquire property and to construct and maintain any buildings,  
11 structures, appurtenances, and facilities necessary or convenient to  
12 the health and safety and for the accommodation of persons traveling  
13 upon state highways.

14 (4) The department is authorized to engage in planning surveys and  
15 may collect, compile, and analyze statistics and other data relative to  
16 existing and future highways and highway needs throughout the state,  
17 and shall conduct research, investigations, and testing as it deems  
18 necessary to improve the methods of construction and maintenance of  
19 highways and bridges.

20 (5) The department's authority under this section is subject to the  
21 polices adopted by the legislature in the statewide transportation plan  
22 and transportation budgets, and the transportation commission's  
23 direction provided under RCW 47.01.071.

24 NEW SECTION. Sec. 6. The legislative transportation committee  
25 shall establish a work group to develop a revised budgeting format for  
26 the omnibus transportation budgets adopted by the legislature. The  
27 revised format should help improve understanding and communication of  
28 legislative policies and priorities, as reflected in the budget  
29 document. The work group shall submit its recommendations to the  
30 legislative transportation committee by December 1, 2003.

31 NEW SECTION. Sec. 7. The legislative transportation committee and  
32 the transportation commission shall establish a joint work group to  
33 define and designate highways of statewide significance under RCW  
34 47.06.140. The work group shall consider the minimum criteria for  
35 designation of highways of statewide significance as provided under RCW

1 47.05.021(3). The work group shall submit its recommendations to the  
2 legislature by December 1, 2003.

3 **Sec. 8.** RCW 47.01.081 and 1984 c 48 s 1 are each amended to read  
4 as follows:

5 (1) Initially the department shall be organized into divisions,  
6 including the division of highways, the division of public  
7 transportation, the division of aeronautics, the division of marine  
8 transportation, and the division of transportation planning and budget.

9 (2) The secretary may reorganize divisions in order to attain the  
10 maximum possible efficiency in the operation of the department. Each  
11 division shall be headed by an assistant secretary to be appointed by  
12 the secretary. The secretary may also appoint a deputy secretary as  
13 may be needed for the performance of the duties and functions vested in  
14 the department and may also appoint up to twelve ferry system  
15 management positions as defined in RCW 47.64.011. The secretary may  
16 delegate to officers within the several divisions of the department  
17 authority to employ personnel necessary to discharge the  
18 responsibilities of the department.

19 (3) The officers appointed under this section shall be exempt from  
20 the provisions of the state civil service law and shall be paid  
21 salaries to be fixed by the governor in accordance with the procedure  
22 established by law for the fixing of salaries for officers exempt from  
23 the operation of the state civil service law.

24 (4) The authority under this section regarding the organization of  
25 the department is subject to oversight by the transportation  
26 commission, and must be approved according to procedures established  
27 for this purpose by the legislative transportation committee and the  
28 legislative evaluation and accountability program committee.

29 **Sec. 9.** RCW 47.01.101 and 1987 c 505 s 48 and 1987 c 179 s 1 are  
30 each reenacted and amended to read as follows:

31 The secretary shall have the authority and it shall be his or her  
32 duty, subject to policy guidance from the commission:

33 (1) To serve as chief executive officer of the department with full  
34 administrative authority to direct all its activities;

35 (2) To organize the department as he or she may deem necessary to  
36 carry out the work and responsibilities of the department effectively;

1 (3) To designate and establish such transportation district or  
2 branch offices as may be necessary or convenient, and to appoint  
3 assistants and delegate any powers, duties, and functions to them or  
4 any officer or employee of the department as deemed necessary to  
5 administer the department efficiently;

6 (4) To direct and coordinate the programs of the various divisions  
7 of the department to assure that they achieve the greatest possible  
8 mutual benefit, produce a balanced overall effort, and eliminate  
9 unnecessary duplication of activity;

10 (5) To adopt all department rules that are subject to the adoption  
11 procedures contained in the state administrative procedure act, except  
12 rules subject to adoption by the commission pursuant to statute;

13 (6) To maintain and safeguard the official records of the  
14 department, including the commission's recorded resolutions and orders;

15 (7) To provide full staff support to the commission to assist it in  
16 carrying out its functions, powers, and duties and to execute the  
17 policy established by the commission pursuant to its legislative  
18 authority;

19 (8) To execute and implement the biennial operating budget for the  
20 operation of the department in accordance with chapter 43.88 RCW and  
21 with legislative appropriation and, in such manner as prescribed  
22 therein, to make and report to the commission and the chairs of the  
23 transportation committees of the senate and house of representatives,  
24 including one copy to the staff of each of the committees, deviations  
25 from the planned biennial category A and H highway construction  
26 programs necessary to adjust to unexpected delays or other  
27 unanticipated circumstances.

28 (9) To exercise all other powers and perform all other duties as  
29 are now or hereafter provided by law.

30 (10) The authority under this section regarding the organization of  
31 the department is subject to oversight by the transportation  
32 commission, and must be approved according to procedures established  
33 for this purpose by the legislative transportation committee and the  
34 legislative evaluation and accountability program committee.

35 NEW SECTION. **Sec. 10.** The legislative transportation committee  
36 and the transportation commission shall establish a joint work group to  
37 plan for the implementation in 2005 of the Personnel System Reform Act



1 of 2002 (chapter 354, Laws of 2002), as it relates to transportation  
2 agencies. The work group shall submit its recommendations to the  
3 legislative transportation committee by December 1, 2004.

4 **Sec. 11.** RCW 47.80.030 and 1998 c 171 s 9 are each amended to read  
5 as follows:

6 (1) Each regional transportation planning organization shall  
7 develop, in cooperation with the department of transportation,  
8 providers of public transportation and high capacity transportation,  
9 ports, and local governments within the region, adopt, and periodically  
10 update a regional transportation plan that:

11 (a) Conforms to the statewide transportation plan adopted by the  
12 legislature;

13 (b) Is based on a least cost planning methodology that identifies  
14 the most cost-effective facilities, services, and programs;

15 ~~((b))~~ (c) Identifies existing or planned transportation  
16 facilities, services, and programs, including but not limited to major  
17 roadways including state highways and regional arterials, transit and  
18 nonmotorized services and facilities, multimodal and intermodal  
19 facilities, marine ports and airports, railroads, and noncapital  
20 programs including transportation demand management that should  
21 function as an integrated regional transportation system, giving  
22 emphasis to those facilities, services, and programs that exhibit one  
23 or more of the following characteristics:

24 (i) Crosses member county lines;

25 (ii) Is or will be used by a significant number of people who live  
26 or work outside the county in which the facility, service, or project  
27 is located;

28 (iii) Significant impacts are expected to be felt in more than one  
29 county;

30 (iv) Potentially adverse impacts of the facility, service, program,  
31 or project can be better avoided or mitigated through adherence to  
32 regional policies;

33 (v) Transportation needs addressed by a project have been  
34 identified by the regional transportation planning process and the  
35 remedy is deemed to have regional significance; and

36 (vi) Provides for system continuity;

1       (~~(e)~~) (d) Establishes level of service standards for state  
2 highways and state ferry routes, with the exception of transportation  
3 facilities of statewide significance as defined in RCW 47.06.140.  
4 These regionally established level of service standards for state  
5 highways and state ferries shall be developed jointly with the  
6 department of transportation, to encourage consistency across  
7 jurisdictions. In establishing level of service standards for state  
8 highways and state ferries, consideration shall be given for the  
9 necessary balance between providing for the free interjurisdictional  
10 movement of people and goods and the needs of local commuters using  
11 state facilities;

12       (~~(d)~~) (e) Includes a financial plan demonstrating how the  
13 regional transportation plan can be implemented, indicating resources  
14 from public and private sources that are reasonably expected to be made  
15 available to carry out the plan, and recommending any innovative  
16 financing techniques to finance needed facilities, services, and  
17 programs;

18       (~~(e)~~) (f) Assesses regional development patterns, capital  
19 investment and other measures necessary to:

20       (i) Ensure the preservation of the existing regional transportation  
21 system, including requirements for operational improvements,  
22 resurfacing, restoration, and rehabilitation of existing and future  
23 major roadways, as well as operations, maintenance, modernization, and  
24 rehabilitation of existing and future transit, railroad systems and  
25 corridors, and nonmotorized facilities; and

26       (ii) Make the most efficient use of existing transportation  
27 facilities to relieve vehicular congestion and maximize the mobility of  
28 people and goods;

29       (~~(f)~~) (g) Sets forth a proposed regional transportation approach,  
30 including capital investments, service improvements, programs, and  
31 transportation demand management measures to guide the development of  
32 the integrated, multimodal regional transportation system; and

33       (~~(g)~~) (h) Where appropriate, sets forth the relationship of high  
34 capacity transportation providers and other public transit providers  
35 with regard to responsibility for, and the coordination between,  
36 services and facilities.

37       (2) The organization shall review the regional transportation plan

1 biennially for currency and forward the adopted plan along with  
2 documentation of the biennial review to the state department of  
3 transportation.

4 (3) All transportation projects, programs, and transportation  
5 demand management measures within the region that have an impact upon  
6 regional facilities or services must be consistent with the plan and  
7 with the adopted regional growth and transportation strategies.

8 **Sec. 12.** RCW 47.80.060 and 1992 c 101 s 31 are each amended to  
9 read as follows:

10 In order to qualify for state planning funds available to regional  
11 transportation planning organizations, the regional transportation  
12 planning organizations containing any county with a population in  
13 excess of one million shall provide voting membership on its executive  
14 board to the state transportation commission, the state department of  
15 transportation, and the three largest public port districts within the  
16 region as determined by gross operating revenues. It shall further  
17 assure that at least fifty percent of the county and city local elected  
18 officials who serve on the executive board also serve on transit agency  
19 boards or on a regional transit authority. Transportation commission  
20 members shall represent the state policies reflected in the statewide  
21 transportation plan adopted by the legislature.

22 **Sec. 13.** RCW 47.80.070 and 1994 c 158 s 5 are each amended to read  
23 as follows:

24 In order to ensure statewide consistency in the regional  
25 transportation planning process, the state department of  
26 transportation, in conformance with the statewide transportation plan  
27 adopted by the legislature and chapter 34.05 RCW, shall:

28 (1) In cooperation with regional transportation planning  
29 organizations, establish minimum standards for development of a  
30 regional transportation plan;

31 (2) Facilitate coordination between regional transportation  
32 planning organizations; and

33 (3) Through the regional transportation planning process, and  
34 through state planning efforts as required by RCW 47.01.071, identify  
35 and jointly plan improvements and strategies within those corridors  
36 important to moving people and goods on a regional or statewide basis.

1       **Sec. 14.** RCW 47.05.030 and 2002 c 5 s 402 are each amended to read  
2 as follows:

3       The transportation commission shall adopt a comprehensive six-year  
4 investment program specifying program objectives and performance  
5 measures for the preservation and improvement programs defined in this  
6 section. In the specification of investment program objectives and  
7 performance measures, the transportation commission, in consultation  
8 with the Washington state department of transportation, shall define  
9 and adopt standards for effective programming and prioritization  
10 practices including a needs analysis process. The needs analysis  
11 process must ensure the identification of problems and deficiencies,  
12 the evaluation of alternative solutions and trade-offs, the  
13 identification of unconstrained demand for mobility, and estimations of  
14 the costs and benefits of prospective projects. The investment  
15 program, including the needs analysis process, must be revised  
16 biennially(~~(, effective on July 1st of odd-numbered years)~~) before each  
17 regular session of the legislature during an odd-numbered year. The  
18 investment program must be based upon the needs identified in the  
19 state-owned highway component of the statewide transportation plan as  
20 defined in RCW 47.01.071(3).

21       (1) The preservation program consists of those investments  
22 necessary to preserve the existing state highway system and to restore  
23 existing safety features, giving consideration to lowest life cycle  
24 costing. The preservation program must require use of the most cost-  
25 effective pavement surfaces, considering:

- 26       (a) Life-cycle cost analysis;
- 27       (b) Traffic volume;
- 28       (c) Subgrade soil conditions;
- 29       (d) Environmental and weather conditions;
- 30       (e) Materials available; and
- 31       (f) Construction factors.

32       The comprehensive six-year investment program for preservation must  
33 identify projects for two years and an investment plan for the  
34 remaining four years.

35       (2) The improvement program consists of investments needed to  
36 address identified deficiencies on the state highway system to increase  
37 mobility, address congestion, and improve safety, support for the  
38 economy, and protection of the environment. The six-year investment

1 program for improvements must identify projects for two years and major  
2 deficiencies proposed to be addressed in the six-year period giving  
3 consideration to relative benefits and life cycle costing. The  
4 transportation commission shall give higher priority for correcting  
5 identified deficiencies on those facilities classified as facilities of  
6 statewide significance as defined in RCW 47.06.140. Project  
7 prioritization must be based primarily upon cost-benefit analysis,  
8 where appropriate.

9 The transportation commission shall approve and present the  
10 comprehensive six-year investment program to the legislature in support  
11 of the biennial budget request under RCW 44.40.070 and 44.40.080.

12 **Sec. 15.** RCW 43.88.020 and 2000 2nd sp.s. c 4 s 11 are each  
13 amended to read as follows:

14 (1) "Budget" means a proposed plan of expenditures for a given  
15 period or purpose and the proposed means for financing these  
16 expenditures.

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

20 (3) "Director of financial management" means the official appointed  
21 by the governor to serve at the governor's pleasure and to whom the  
22 governor may delegate necessary authority to carry out the governor's  
23 duties as provided in this chapter. The director of financial  
24 management shall be head of the office of financial management which  
25 shall be in the office of the governor.

26 (4) "Agency" means and includes every state office, officer, each  
27 institution, whether educational, correctional, or other, and every  
28 department, division, board, and commission, except as otherwise  
29 provided in this chapter.

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

36 (6) "Regulations" means the policies, standards, and requirements,

1 stated in writing, designed to carry out the purposes of this chapter,  
2 as issued by the governor or the governor's designated agent, and which  
3 shall have the force and effect of law.

4 (7) "Ensuing biennium" means the fiscal biennium beginning on July  
5 1st of the same year in which a regular session of the legislature is  
6 held during an odd-numbered year pursuant to Article II, section 12 of  
7 the Constitution and which biennium next succeeds the current biennium.

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

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

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

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

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

29 (13) "Lapse" means the termination of authority to expend an  
30 appropriation.

31 (14) "Legislative fiscal committees" means the joint legislative  
32 audit and review committee, the legislative evaluation and  
33 accountability program committee, the ways and means and transportation  
34 committees of the senate and house of representatives, and, where  
35 appropriate, the legislative transportation committee.

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

1 (16) "Primary budget driver" means the primary determinant of a  
2 budget level, other than a price variable, which causes or is  
3 associated with the major expenditure of an agency or budget unit  
4 within an agency, such as a caseload, enrollment, workload, or  
5 population statistic.

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

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

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

14 (20) "Estimated revenues" means estimates of revenue in the most  
15 recent official economic and revenue forecast prepared under RCW  
16 82.33.020, and prepared by the office of financial management for those  
17 funds, accounts, and sources for which the office of the economic and  
18 revenue forecast council does not prepare an official forecast  
19 including estimates of revenues to support financial plans under RCW  
20 44.40.070, that are prepared by the office of financial management in  
21 consultation with the transportation revenue forecast council.

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

27 (22) "State budgeting, accounting, and reporting system" means a  
28 system that gathers, maintains, and communicates fiscal information.  
29 The system links fiscal information beginning with development of  
30 agency budget requests through adoption of legislative appropriations  
31 to tracking actual receipts and expenditures against approved plans.

32 (23) "Allotment of appropriation" means the agency's statement of  
33 proposed expenditures, the director of financial management's review of  
34 that statement, and the placement of the approved statement into the  
35 state budgeting, accounting, and reporting system.

36 (24) "Statement of proposed expenditures" means a plan prepared by  
37 each agency that breaks each appropriation out into monthly detail

1 representing the best estimate of how the appropriation will be  
2 expended.

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

7 (26) "Internal audit" means an independent appraisal activity  
8 within an agency for the review of operations as a service to  
9 management, including a systematic examination of accounting and fiscal  
10 controls to assure that human and material resources are guarded  
11 against waste, loss, or misuse; and that reliable data are gathered,  
12 maintained, and fairly disclosed in a written report of the audit  
13 findings.

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

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

20 (29) "Transportation budget" means a proposed plan of expenditures  
21 for a given period for the purposes of funding the state's expenditures  
22 supporting the movement of goods and people as well as the proposed  
23 means for financing these expenditures. For the purposes of this  
24 chapter the transportation budget includes the major programs of state  
25 agencies dealing with transportation activities, including the  
26 department of transportation, the Washington state patrol, the  
27 department of licensing, the traffic safety commission, the board of  
28 pilotage, the transportation improvement board and the country road  
29 administration board or successor agencies, and any other programs or  
30 agencies as determined by the legislative evaluation and accountability  
31 program committee in consultation with the legislative transportation  
32 committee.

33 NEW SECTION. Sec. 16. INSTRUCTIONS FOR SIX-YEAR TRANSPORTATION  
34 PLANS. (1) The director shall provide agencies and committees that are  
35 required under section 17 of this act to develop comprehensive six-year  
36 programs and financial plans with a complete set of instructions for



1 submitting these program and financial plans at the same time that  
2 instructions for submitting other budget requests are provided.

3 (2) The governor's budget must outline proposed six-year financial  
4 policies, as well as the revenues necessary to support the six-year  
5 transportation program and financial plan. In estimating related  
6 revenues, the office of financial management shall rely on information  
7 and advice from the transportation revenue forecast council.

8 (3) Both supplemental and biennial budget documents must reflect a  
9 six-year expenditure plan consistent with estimated revenues from  
10 existing sources and at existing rates for those agencies required to  
11 submit six-year programs and financial plans under section 17 of this  
12 act. Any additional revenue resulting from proposed changes to  
13 existing statutes must be separately identified within the document as  
14 well as related expenditures for the six-year period.

15 NEW SECTION. **Sec. 17.** DEVELOPMENT OF SIX-YEAR TRANSPORTATION  
16 PLAN. Before October 1st of each even-numbered year, all state  
17 agencies or successor agencies, whose major programs consist of  
18 transportation activities, including the department of transportation,  
19 the transportation improvement board, the Washington state patrol, the  
20 department of licensing, the traffic safety commission, the county road  
21 administration board, and the board of pilotage commissioners, shall  
22 adopt or revise after consultation with the legislative transportation  
23 committee, a comprehensive six-year program and financial plan for all  
24 transportation activities under each agency's jurisdiction. The plans  
25 must conform with the statewide transportation plan adopted by the  
26 legislature and be in the form prescribed by the director of financial  
27 management.

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

31 NEW SECTION. **Sec. 18.** DETAILS OF TRANSPORTATION AGENCIES' BUDGET  
32 REQUESTS. The transportation agencies' biennial budget requests must  
33 include details of expenditures, and performance and public service  
34 criteria for the transportation programs and activities of each agency  
35 in consonance with that agency's adopted six-year comprehensive program  
36 and financial plan.

1        NEW SECTION.    **Sec. 19.**    HIGHWAY ALLOCATIONS.    When an allocation  
2    for the construction or improvement of state highways is provided, that  
3    allocation is under the control of the department of transportation  
4    pursuant to directives by the transportation commission.

5        NEW SECTION.    **Sec. 20.**    AGENCIES THAT COLLECT REVENUE MUST DEVELOP  
6    SIX-YEAR PROGRAMS.    Those agencies engaged in the collection of  
7    revenues under section 17 of this act shall develop six-year programs  
8    and financial plans under section 17 of this act.    These six-year  
9    revenue estimates must be submitted to the director of financial  
10   management and the transportation committees of the senate and the  
11   house of representatives.

12        Each agency engaged in the collection of revenues shall prepare  
13   estimated revenues and estimated receipts for the current and ensuing  
14   biennium and shall submit the estimates to the director of financial  
15   management and the director of revenue at times and in the form  
16   specified by the directors, along with any other information that the  
17   directors may request.

18        A copy of the revenue estimates must be simultaneously submitted to  
19   the economic and revenue forecast work group when required by the  
20   office of the economic and revenue forecast council.

21        **Sec. 21.**    RCW 43.88.150 and 1995 c 6 s 1 are each amended to read  
22   as follows:

23        (1)    For those agencies that make expenditures from both  
24   appropriated and nonappropriated funds for the same purpose, the  
25   governor shall direct such agencies to charge their expenditures in  
26   such ratio, as between appropriated and nonappropriated funds, as will  
27   conserve appropriated funds.    This subsection does not apply to  
28   institutions of higher education, as defined in RCW 28B.10.016.

29        (2)    Unless otherwise provided by law, if state moneys are  
30   appropriated for a capital project and matching funds or other  
31   contributions are required as a condition of the receipt of the state  
32   moneys, the state moneys shall be disbursed in proportion to and only  
33   to the extent that the matching funds or other contributions have been  
34   received and are available for expenditure.

35        (3)    The office of financial management shall adopt guidelines for

1 the implementation of this section. The guidelines may account for  
2 federal matching requirements or other requirements to spend other  
3 moneys in a particular manner.

4 (4) This section does not apply to appropriations made in the  
5 transportation budget.

6 NEW SECTION. Sec. 22. RCW 47.08.010 (Control of allocated funds)  
7 and 1984 c 7 s 92 & 1961 c 13 s 47.08.010 are each repealed.

8 NEW SECTION. Sec. 23. Sections 16 through 20 of this act are each  
9 added to and designated as a subchapter of chapter 43.88 RCW under the  
10 subchapter designation "Transportation."

11 NEW SECTION. Sec. 24. Captions used in this act are not part of  
12 the law.

13 NEW SECTION. Sec. 25. Sections 4, 6, and 7 of this act expire on  
14 January 1, 2004. Section 10 of this act expires on January 1, 2005.

15 NEW SECTION. Sec. 26. This act is necessary for the immediate  
16 preservation of the public peace, health, or safety, or support of the  
17 state government and its existing public institutions, and takes effect  
18 immediately.

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