
HOUSE BILL 2656

State of Washington 64th Legislature 2016 Regular Session

By Representatives Stokesbary, Hargrove, Zeiger, and Magendanz

Read first time 01/18/16. Referred to Committee on Appropriations.

1 AN ACT Relating to improving state budgeting through zero-based
2 budget reviews; adding a new section to chapter 43.88 RCW; creating a
3 new section; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
6 enhance the budget development process by improving the information
7 available for the governor and legislature when evaluating the budget
8 requests of state agencies and for the legislature when evaluating
9 the governor's budget proposal under RCW 48.33.030. The legislature
10 establishes the zero-based review process in section 2 of this act to
11 provide more thorough analysis of the programs and services provided
12 by state agencies and to better prioritize the expenditure of public
13 resources. The zero-based budget review process focuses on
14 nonentitlement programs; mandatory entitlement programs receive a de
15 facto zero-based budget review through regular caseload forecasts
16 under chapter 43.88C RCW and per capita cost analysis.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.88
18 RCW to read as follows:

19 (1) As used in this section unless the context clearly requires
20 otherwise:

1 (a) "Agency activity" means major activities of state agencies
2 pursuant to RCW 43.88.090 and described in the office of financial
3 management's agency activity inventory for the appropriate biennium.

4 (b) "Program" means a service or a group of services designed to
5 accomplish a specific public goal and result in specific public
6 benefits except for those entitlement services listed in the
7 definition of "caseload" under RCW 43.88C.010 (7) and (9). For the
8 zero-based budget review under this section, a program is any
9 distinguishable service or unit that makes up an agency activity. In
10 most cases, an agency activity will encompass several programs,
11 although in some cases the agency activity could be one program.

12 (c) "Zero-based budget review" means:

13 (i) Information and analysis regarding an agency's programs
14 prepared by the agency as required by subsection (3) of this section
15 that must be included as a separate document in an agency's biennial
16 budget request under this chapter; and

17 (ii) Consideration of the information provided under (c)(i) of
18 this subsection by the governor and the legislature during the budget
19 development process.

20 (2) Beginning in 2016 and in each even-numbered year thereafter,
21 the legislature must specify, in the omnibus operating appropriations
22 act or in other legislation, programs for which agencies must perform
23 a zero-based budget review under subsection (3) of this section. It
24 is the intent of the legislature that twenty percent of all state
25 programs be subject to a zero-based budget review each biennium, so
26 that every program receives a zero-based budget review within a ten-
27 year cycle. When selecting programs for review, the legislature may
28 specify programs by functional area, such as education, health care,
29 other human services, natural resources, and general government, or
30 may specify programs as prioritized by the legislature. When
31 selecting programs for a zero-based budget review for a particular
32 biennium, the legislature may broaden or narrow the definition of
33 program for specific agencies.

34 (3) Beginning with biennial budget requests for the 2017-2019
35 fiscal biennium and with each biennial budget request thereafter,
36 agencies must submit zero-based budget reviews for the programs
37 identified by the legislature for review that biennium under
38 subsection (2) of this section. Information and analysis submitted by
39 agencies for the zero-based review under this section shall include:

1 (a) A statement of the statutory basis or other basis for the
2 creation of each program and the history of each program that is
3 being reviewed;

4 (b) A description of how each program fits within the strategic
5 plan and goals of the agency and an analysis of the quantified
6 objectives of each program within the agency;

7 (c) Any available performance measures indicating the
8 effectiveness and efficiency of each program;

9 (d) A description with supporting cost and staffing data of each
10 program and the populations served by each program, and the level of
11 funding and staff required to accomplish the goals of the program if
12 different than the actual maintenance level;

13 (e) An analysis of the major costs and benefits of operating each
14 program and the rationale for specific expenditure and staffing
15 levels;

16 (f) An analysis estimating each program's administrative and
17 other overhead costs;

18 (g) An analysis of the levels of services provided;

19 (h) Where applicable, an analysis estimating the amount of funds
20 or benefits that actually reach the intended recipients; and

21 (i) Other information and analysis requested by the legislature
22 in the legislation identifying the agency programs for review under
23 subsection (2)(a) of this section.

24 (4)(a) The governor and legislature shall consider the
25 information and analysis provided by agencies under this section in
26 the budget development process. The house of representatives
27 appropriations committee and the senate ways and means committee
28 shall hold at least one public hearing on the information and
29 analysis submitted by agencies under the zero-based budget review.

30 (b) The information and analysis submitted by agencies under the
31 zero-based budget review process must be filed electronically with
32 the state's fiscal web site managed by the legislative evaluation and
33 accountability program committee.

34 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
35 preservation of the public peace, health, or safety, or support of
36 the state government and its existing public institutions, and takes
37 effect immediately.

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