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HOUSE BILL 2755

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State of Washington

64th Legislature

2016 Regular Session

By Representatives Zeiger, Pollet, Haler, Springer, Muri, and Hickel;  
by request of Council of Presidents

Read first time 01/20/16. Referred to Committee on Higher Education.

1 AN ACT Relating to administrative efficiencies in Washington  
2 state public higher education; and amending RCW 28B.10.027,  
3 28B.10.029, 39.26.110, 39.26.140, 39.26.210, 42.48.010, 43.88.030,  
4 and 43.88.110.

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

6 **Sec. 1.** RCW 28B.10.027 and 2005 c 36 s 3 are each amended to  
7 read as follows:

8 (1) All universities and colleges shall allocate as a  
9 nondeductible item, out of any moneys appropriated for the original  
10 construction or any major renovation or remodel work exceeding two  
11 hundred thousand dollars of any building, an amount of one-half of  
12 one percent of the construction appropriation to be expended by the  
13 Washington state arts commission with the approval of the board of  
14 regents or trustees for the acquisition of works of art.

15 (2) An institution of higher education, working with the  
16 Washington arts commission, may expend up to ten percent of the  
17 projected art allocation for a project during the design phase in  
18 order to select an artist and design art to be integrated in the  
19 building design. The one-half of one percent to be expended by the  
20 Washington arts commission shall be adjusted downward by the amount

1 expended by a university or college during the design phase of the  
2 capital project.

3 (3) The works of art may be placed on public lands of  
4 institutions of higher education, integral to or attached to a public  
5 building or structure of institutions of higher education, detached  
6 within or outside a public building or structure of institutions of  
7 higher education, part of a portable exhibition or collection, part  
8 of a temporary exhibition, or loaned or exhibited in other public  
9 facilities.

10 (4) In addition to the cost of the works of art, the one-half of  
11 one percent of the appropriation shall be used to provide for the  
12 administration of the visual arts program, including conservation of  
13 the state art collection, by the Washington state arts commission and  
14 all costs for installation of the work of art. For the purpose of  
15 this section building shall not include sheds, warehouses, and other  
16 buildings of a temporary nature.

17 **Sec. 2.** RCW 28B.10.029 and 2015 c 79 s 1 are each amended to  
18 read as follows:

19 (1)(a) An institution of higher education may, consistent with  
20 RCW 28B.10.925 and 28B.10.926, exercise independently those powers  
21 otherwise granted to the director of enterprise services in chapters  
22 43.19 and 39.26 RCW in connection with the purchase and disposition  
23 of all material, supplies, services, and equipment needed for the  
24 support, maintenance, and use of the respective institution of higher  
25 education.

26 (b) Property disposition policies followed by institutions of  
27 higher education shall be consistent with policies followed by the  
28 department of enterprise services.

29 (c)(i) Except as provided in (c)(ii) and (iii) of this subsection  
30 and elsewhere as provided by law, purchasing policies and procedures  
31 followed by institutions of higher education shall be in compliance  
32 with chapters 39.19, 39.26, and 43.03 RCW, and RCW 43.19.1917,  
33 43.19.685, and 43.19.560 through 43.19.637.

34 (ii) Institutions of higher education may use all appropriate  
35 means for making and paying for travel arrangements including, but  
36 not limited to, electronic booking and reservations, advance payment  
37 and deposits for tours, lodging, and other necessary expenses, and  
38 other travel transactions based on standard industry practices and  
39 federal accountable plan requirements. Such arrangements shall

1 support student, faculty, staff, and other participants' travel, by  
2 groups and individuals, both domestic and international, in the most  
3 cost-effective and efficient manner possible, regardless of the  
4 source of funds.

5 (iii) Formal sealed, electronic, or web-based competitive bidding  
6 is not necessary for purchases or personal services contracts by  
7 institutions of higher education for less than one hundred thousand  
8 dollars. However, for purchases and personal services contracts of  
9 ten thousand dollars or more and less than one hundred thousand  
10 dollars, quotations must be secured from at least three vendors to  
11 assure establishment of a competitive price and may be obtained by  
12 telephone, electronic, or written quotations, or any combination  
13 thereof. As part of securing the three vendor quotations,  
14 institutions of higher education must invite at least one quotation  
15 each from a certified minority and a certified woman-owned vendor  
16 that otherwise qualifies to perform the work. A record of competition  
17 for all such purchases and personal services contracts of ten  
18 thousand dollars or more and less than one hundred thousand dollars  
19 must be documented for audit purposes.

20 (d) Purchases under chapter 39.26, 43.19, or 43.105 RCW by  
21 institutions of higher education may be made by using contracts for  
22 materials, supplies, services, or equipment negotiated or entered  
23 into by, for, or through group purchasing organizations.

24 (e) The community and technical colleges shall comply with RCW  
25 43.19.450.

26 (f) Except for the University of Washington, institutions of  
27 higher education shall comply with RCW 43.19.769, 43.19.763, and  
28 43.19.781.

29 (g) If an institution of higher education can satisfactorily  
30 demonstrate to the director of the office of financial management  
31 that the cost of compliance is greater than the value of benefits  
32 from any of the following statutes, then it shall be exempt from  
33 them: RCW 43.19.685 and 43.19.637.

34 ~~((h) Any institution of higher education that chooses to  
35 exercise independent purchasing authority for a commodity or group of  
36 commodities shall notify the director of enterprise services.  
37 Thereafter the director of enterprise services shall not be required  
38 to provide those services for that institution for the duration of  
39 the enterprise services contract term for that commodity or group of  
40 commodities.))~~

1 (2) The council of presidents and the state board for community  
2 and technical colleges shall convene its correctional industries  
3 business development advisory committee, and work collaboratively  
4 with correctional industries, to:

5 (a) Reaffirm purchasing criteria and ensure that quality,  
6 service, and timely delivery result in the best value for expenditure  
7 of state dollars;

8 (b) Update the approved list of correctional industries products  
9 from which higher education shall purchase; and

10 (c) Develop recommendations on ways to continue to build  
11 correctional industries' business with institutions of higher  
12 education.

13 (3) Higher education and correctional industries shall develop a  
14 plan to build higher education business with correctional industries  
15 to increase higher education purchases of correctional industries  
16 products, based upon the criteria established in subsection (2) of  
17 this section. The plan shall include the correctional industries'  
18 production and sales goals for higher education and an approved list  
19 of products from which higher education institutions shall purchase,  
20 based on the criteria established in subsection (2) of this section.  
21 Higher education and correctional industries shall report to the  
22 legislature regarding the plan and its implementation no later than  
23 January 30, 2005.

24 (4)(a) Institutions of higher education shall set as a target to  
25 contract, beginning not later than June 30, 2006, to purchase one  
26 percent of the total goods and services required by the institutions  
27 each year produced or provided in whole or in part from class II  
28 inmate work programs operated by the department of corrections.  
29 Institutions of higher education shall set as a target to contract,  
30 beginning not later than June 30, 2008, to purchase two percent of  
31 the total goods and services required by the institutions each year  
32 produced or provided in whole or in part from class II inmate work  
33 programs operated by the department of corrections.

34 (b) Institutions of higher education shall endeavor to assure the  
35 department of corrections has notifications of bid opportunities with  
36 the goal of meeting or exceeding the purchasing target in (a) of this  
37 subsection.

38 **Sec. 3.** RCW 39.26.110 and 2012 c 224 s 12 are each amended to  
39 read as follows:

1 (1) The department must provide expertise and training on best  
2 practices for state procurement.

3 (2) The department must establish either training or  
4 certification programs, or both, to ensure consistency in procurement  
5 practices for employees authorized to perform procurement functions  
6 under the provisions of this chapter. When establishing training or  
7 certification programs, the department may approve existing training  
8 or certification programs at state agencies. When establishing  
9 programs or approving existing programs, the department shall work  
10 with agencies with existing training programs to ensure coordination  
11 and minimize additional costs associated with training requirements.

12 (3) Beginning July 1, 2013, state agencies must require agency  
13 employees responsible for developing, executing, or managing  
14 procurements or contracts, or both, to complete department-approved  
15 training or certification programs, or both. Beginning July 1, 2015,  
16 no agency employee may execute or manage contracts unless the  
17 employee has met the training or certification requirements or both  
18 as set by the department. Any request for exception to this  
19 requirement must be submitted to the director for approval before the  
20 employee or group of employees executes or manages contracts.

21 (4) Notwithstanding subsections (1) through (3) of this section,  
22 institutions of higher education may develop independent training or  
23 certification programs, or both, to ensure consistency in procurement  
24 practices for employees authorized to perform procurement functions  
25 under applicable state and federal laws. Each institution of higher  
26 education exercising its authority to develop independent training or  
27 certification programs must require employees responsible for  
28 developing, executing, or managing procurements or contracts, or  
29 both, to complete such training or certification program.

30 **Sec. 4.** RCW 39.26.140 and 2012 c 224 s 16 are each amended to  
31 read as follows:

32 (1) Agencies, other than institutions of higher education as  
33 defined in RCW 28B.10.016, must submit sole source contracts to the  
34 department and make the contracts available for public inspection not  
35 less than ten working days before the proposed starting date of the  
36 contract. Agencies, other than institutions of higher education as  
37 defined in RCW 28B.10.016, must provide documented justification for  
38 sole source contracts to the department when the contract is  
39 submitted, and must include evidence that the agency posted the

1 contract opportunity at a minimum on the state's enterprise vendor  
2 registration and bid notification system.

3 (2) The department must approve sole source contracts before any  
4 such contract becomes binding and before any services may be  
5 performed or goods provided under the contract. These requirements  
6 shall also apply to all sole source contracts except as otherwise  
7 exempted by the director.

8 (3) The director may provide an agency an exemption from the  
9 requirements of this section for a contract or contracts. Requests  
10 for exemptions must be submitted to the director in writing.

11 (4) Contracts awarded by institutions of higher education from  
12 nonstate funds are exempt from the requirements of this section.

13 **Sec. 5.** RCW 39.26.210 and 2012 c 224 s 23 are each amended to  
14 read as follows:

15 (1) Agencies, other than institutions of higher education as  
16 defined in RCW 28B.10.016, must annually submit to the department a  
17 list of all contracts that the agency has entered into or renewed.  
18 "Contracts," for the purposes of this section, does not include  
19 purchase orders. The department must maintain a publicly available  
20 list of all contracts entered into by agencies during each fiscal  
21 year, except that contracts for the employment of expert witnesses  
22 for the purposes of litigation shall not be made publicly available  
23 to the extent that information is exempt from disclosure under state  
24 law. Except as otherwise exempt, the data must identify the  
25 contracting agency, the contractor, the purpose of the contract,  
26 effective dates and periods of performance, the cost of the contract  
27 and funding source, any substantive modifications to the contract,  
28 and whether the contract was competitively procured or awarded on a  
29 sole source basis.

30 (2) The department may conduct audits of its master contracts and  
31 convenience contracts to ensure that the contractor is in compliance  
32 with the contract terms and conditions, including but not limited to  
33 providing only the goods and services specified in the contract at  
34 the contract price.

35 **Sec. 6.** RCW 42.48.010 and 2007 c 17 s 6 are each amended to read  
36 as follows:

37 For the purposes of this chapter, the following definitions  
38 apply:

1 (1) "Individually identifiable" means that a record contains  
2 information which reveals or can likely be associated with the  
3 identity of the person or persons to whom the record pertains.

4 (2) "Legally authorized representative" means a person legally  
5 authorized to give consent for the disclosure of personal records on  
6 behalf of a minor or a legally incompetent adult.

7 (3) "Personal record" means any information obtained or  
8 maintained by a state agency which refers to a person and which is  
9 declared exempt from public disclosure, confidential, or privileged  
10 under state or federal law.

11 (4) "Research" means a planned and systematic sociological,  
12 psychological, epidemiological, biomedical, or other scientific  
13 investigation carried out by a state agency, by a scientific research  
14 professional associated with a bona fide scientific research  
15 organization, or by a graduate student currently enrolled in an  
16 advanced academic degree curriculum, with an objective to contribute  
17 to scientific knowledge, the solution of social and health problems,  
18 or the evaluation of public benefit and service programs. This  
19 definition excludes methods of record analysis and data collection  
20 that are subjective, do not permit replication, and are not designed  
21 to yield reliable and valid results.

22 (5) "Research record" means an item or grouping of information  
23 obtained for the purpose of research from or about a person or  
24 extracted for the purpose of research from a personal record.

25 (6) "State agency" means: (a) The department of social and health  
26 services; (b) the department of corrections; (c) ~~((an institution of  
27 higher education as defined in RCW 28B.10.016; (d))~~) the department  
28 of health; or ~~((e))~~ (d) the department of early learning.

29 **Sec. 7.** RCW 43.88.030 and 2006 c 334 s 43 are each amended to  
30 read as follows:

31 (1) The director of financial management shall provide all  
32 agencies with a complete set of instructions for submitting biennial  
33 budget requests to the director at least three months before agency  
34 budget documents are due into the office of financial management. The  
35 budget document or documents shall consist of the governor's budget  
36 message which shall be explanatory of the budget and shall contain an  
37 outline of the proposed financial policies of the state for the  
38 ensuing fiscal period, as well as an outline of the proposed six-year  
39 financial policies where applicable, and shall describe in connection

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

31 The budget document or documents shall also contain:

32 (a) Revenues classified by fund and source for the immediately  
33 past fiscal period, those received or anticipated for the current  
34 fiscal period, and those anticipated for the ensuing biennium;

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

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



1 (d) Such additional information dealing with revenues and  
2 expenditures as the governor shall deem pertinent and useful to the  
3 legislature;

4 (e) Tabulations showing expenditures classified by fund,  
5 function, and agency;

6 (f) The expenditures that include nonbudgeted, nonappropriated  
7 accounts outside the state treasury;

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

11 (h) Tabulations showing each postretirement adjustment by  
12 retirement system established after fiscal year 1991, to include, but  
13 not be limited to, estimated total payments made to the end of the  
14 previous biennial period, estimated payments for the present  
15 biennium, and estimated payments for the ensuing biennium.

16 (2) The budget document or documents shall include detailed  
17 estimates of all anticipated revenues applicable to proposed  
18 operating or capital expenditures and shall also include all proposed  
19 operating or capital expenditures. The total of beginning  
20 undesignated fund balance and estimated revenues less working capital  
21 and other reserves shall equal or exceed the total of proposed  
22 applicable expenditures. The budget document or documents shall  
23 further include:

24 (a) Interest, amortization and redemption charges on the state  
25 debt;

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

27 (c) Other statutory expenditures;

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

29 (e) Revenues derived from agency operations;

30 (f) Expenditures and revenues shall be given in comparative form  
31 showing those incurred or received for the immediately past fiscal  
32 period and those anticipated for the current biennium and next  
33 ensuing biennium;

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

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

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

1 (j) A showing and explanation of anticipated amounts of general  
2 fund and other funds required to amortize the unfunded actuarial  
3 accrued liability of the retirement system specified under chapter  
4 41.45 RCW, and the contributions to meet such amortization, stated in  
5 total dollars and as a level percentage of total compensation.

6 (3) The governor's operating budget document or documents shall  
7 reflect the statewide priorities as required by RCW 43.88.090.

8 (4) The governor's operating budget document or documents shall  
9 identify activities that are not addressing the statewide priorities.

10 (5) A separate capital budget document or schedule shall be  
11 submitted that will contain the following:

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

15 (b) A capital program consisting of proposed capital projects for  
16 the next biennium and the two biennia succeeding the next biennium  
17 consistent with the long-range facilities plan. Inasmuch as is  
18 practical, and recognizing emergent needs, the capital program shall  
19 reflect the priorities, projects, and spending levels proposed in  
20 previously submitted capital budget documents in order to provide a  
21 reliable long-range planning tool for the legislature and state  
22 agencies;

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

25 (d) A strategic plan for reducing backlogs of maintenance and  
26 repair projects. The plan shall include a prioritized list of  
27 specific facility deficiencies and capital projects to address the  
28 deficiencies for each agency, cost estimates for each project, a  
29 schedule for completing projects over a reasonable period of time,  
30 and identification of normal maintenance activities to reduce future  
31 backlogs;

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

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

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

37 (h) Estimated total project cost;

38 (i) For major projects valued over five million dollars, with the  
39 exception of projects at institutions of higher education as defined  
40 in RCW 28B.10.016, which may be valued up to ten million dollars,

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

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

8 (k) Estimated ensuing biennium costs;

9 (l) Estimated costs beyond the ensuing biennium;

10 (m) Estimated construction start and completion dates;

11 (n) Source and type of funds proposed;

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

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

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

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

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

33 For purposes of this subsection (5), the term "capital project"  
34 shall be defined subsequent to the analysis, findings, and  
35 recommendations of a joint committee comprised of representatives  
36 from the house capital appropriations committee, senate ways and  
37 means committee, legislative evaluation and accountability program  
38 committee, and office of financial management.

39 (6) No change affecting the comparability of agency or program  
40 information relating to expenditures, revenues, workload, performance

1 and personnel shall be made in the format of any budget document or  
2 report presented to the legislature under this section or RCW  
3 43.88.160(1) relative to the format of the budget document or report  
4 which was presented to the previous regular session of the  
5 legislature during an odd-numbered year without prior legislative  
6 concurrence. Prior legislative concurrence shall consist of (a) a  
7 favorable majority vote on the proposal by the standing committees on  
8 ways and means of both houses if the legislature is in session or (b)  
9 a favorable majority vote on the proposal by members of the  
10 legislative evaluation and accountability program committee if the  
11 legislature is not in session.

12 **Sec. 8.** RCW 43.88.110 and 2014 c 162 s 4 are each amended to  
13 read as follows:

14 This section sets forth the expenditure programs and the  
15 allotment and reserve procedures to be followed by the executive  
16 branch for public funds.

17 (1) Allotments of an appropriation for any fiscal period shall  
18 conform to the terms, limits, or conditions of the appropriation.

19 (2) The director of financial management shall provide all  
20 agencies with a complete set of operating and capital instructions  
21 for preparing a statement of proposed expenditures at least thirty  
22 days before the beginning of a fiscal period. The set of instructions  
23 need not include specific appropriation amounts for the agency.

24 (3) Within forty-five days after the beginning of the fiscal  
25 period or within forty-five days after the governor signs the omnibus  
26 biennial appropriations act, whichever is later, all agencies shall  
27 submit to the governor a statement of proposed expenditures at such  
28 times and in such form as may be required by the governor.

29 (4) The office of financial management shall develop a method for  
30 monitoring capital appropriations and expenditures that will capture  
31 at least the following elements:

32 (a) Appropriations made for capital projects including  
33 transportation projects;

34 (b) Estimates of total project costs including past, current,  
35 ensuing, and future biennial costs;

36 (c) Comparisons of actual costs to estimated costs;

37 (d) Comparisons of estimated construction start and completion  
38 dates with actual dates;

39 (e) Documentation of fund shifts between projects.

1 This data may be incorporated into the existing accounting system  
2 or into a separate project management system, as deemed appropriate  
3 by the office of financial management.

4 (5) The office of financial management, prior to approving  
5 allotments for major capital construction projects valued over five  
6 million dollars, with the exception of projects at institutions of  
7 higher education as defined in RCW 28B.10.016, which may be valued up  
8 to ten million dollars, shall institute procedures for reviewing such  
9 projects at the predesign stage that will reduce long-term costs and  
10 increase facility efficiency. The procedures shall include, but not  
11 be limited to, the following elements:

12 (a) Evaluation of facility program requirements and consistency  
13 with long-range plans;

14 (b) Utilization of a system of cost, quality, and performance  
15 standards to compare major capital construction projects; and

16 (c) A requirement to incorporate value-engineering analysis and  
17 constructability review into the project schedule.

18 (6) No expenditure may be incurred or obligation entered into for  
19 such major capital construction projects including, without  
20 exception, land acquisition, site development, predesign, design,  
21 construction, and equipment acquisition and installation, until the  
22 allotment of the funds to be expended has been approved by the office  
23 of financial management. This limitation does not prohibit the  
24 continuation of expenditures and obligations into the succeeding  
25 biennium for projects for which allotments have been approved in the  
26 immediate prior biennium.

27 (7) Minor works projects, as defined by the office of financial  
28 management, may be valued up to five million dollars for institutions  
29 of higher education as defined in RCW 28B.10.016.

30 (8) If at any time during the fiscal period the governor projects  
31 a cash deficit in a particular fund or account as defined by RCW  
32 43.88.050, the governor shall make across-the-board reductions in  
33 allotments for that particular fund or account so as to prevent a  
34 cash deficit, unless the legislature has directed the liquidation of  
35 the cash deficit over one or more fiscal periods. Except for the  
36 legislative and judicial branches and other agencies headed by  
37 elective officials, the governor shall review the statement of  
38 proposed operating expenditures for reasonableness and conformance  
39 with legislative intent. The governor may request corrections of  
40 proposed allotments submitted by the legislative and judicial

1 branches and agencies headed by elective officials if those proposed  
2 allotments contain significant technical errors. Once the governor  
3 approves the proposed allotments, further revisions may at the  
4 request of the office of financial management or upon the agency's  
5 initiative be made on a quarterly basis and must be accompanied by an  
6 explanation of the reasons for significant changes. However, changes  
7 in appropriation level authorized by the legislature, changes  
8 required by across-the-board reductions mandated by the governor,  
9 changes caused by executive increases to spending authority, and  
10 changes caused by executive decreases to spending authority for  
11 failure to comply with the provisions of chapter 36.70A RCW may  
12 require additional revisions. Revisions shall not be made  
13 retroactively. However, the governor may assign to a reserve status  
14 any portion of an agency appropriation withheld as part of across-  
15 the-board reductions made by the governor and any portion of an  
16 agency appropriation conditioned on a contingent event by the  
17 appropriations act. The governor may remove these amounts from  
18 reserve status if the across-the-board reductions are subsequently  
19 modified or if the contingent event occurs. The director of financial  
20 management shall enter approved statements of proposed expenditures  
21 into the state budgeting, accounting, and reporting system within  
22 forty-five days after receipt of the proposed statements from the  
23 agencies. If an agency or the director of financial management is  
24 unable to meet these requirements, the director of financial  
25 management shall provide a timely explanation in writing to the  
26 legislative fiscal committees.

27 ~~((+8))~~ (9) It is expressly provided that all agencies shall be  
28 required to maintain accounting records and to report thereon in the  
29 manner prescribed in this chapter and under the regulations issued  
30 pursuant to this chapter. Within ninety days of the end of the fiscal  
31 year, all agencies shall submit to the director of financial  
32 management their final adjustments to close their books for the  
33 fiscal year. Prior to submitting fiscal data, written or oral, to  
34 committees of the legislature, it is the responsibility of the agency  
35 submitting the data to reconcile it with the budget and accounting  
36 data reported by the agency to the director of financial management.

37 ~~((+9))~~ (10) The director of financial management may exempt  
38 certain public funds from the allotment controls established under  
39 this chapter if it is not practical or necessary to allot the funds.  
40 Allotment control exemptions expire at the end of the fiscal biennium

1 for which they are granted. The director of financial management  
2 shall report any exemptions granted under this subsection to the  
3 legislative fiscal committees.

--- END ---