
**State Government & Tribal Relations
Committee**

HB 1364

Brief Description: Eliminating, revising, or decodifying obsolete or inactive statutory provisions that concern the office of financial management.

Sponsors: Representatives Smith, Gregerson and Reeves; by request of Office of Financial Management.

Brief Summary of Bill

- Amends certain provisions relating to the Office of Financial Management (OFM) regarding the reporting of payment of attorney fees, rulemaking around the borrowing money by the Department of Financial Institutions, and concurring with cash management delegation taken by the Treasurer
- Decodifies a provision relating to increases in salary to achieve comparable worth.
- Transfers the authority to approval exemptions to restrictions on subsistence, lodging, or travel expenses for certain agencies and entities from the OFM to other persons overseeing those agencies or entities.
- Repeals various provisions relating to the OFM.

Hearing Date: 2/5/19

Staff: Desiree Omli (786-7105).

Background:

Attorney Fees–Judicial Review of Agency Action.

Judicial reviews of agency actions pertaining to licensing, the implementation or enforcement of a statute, the adoption or application of an agency rule or order, the imposition of sanctions, or the granting or withholding of benefits are authorized. A court must award a qualified party that prevails in a judicial review of an agency action fees and other expenses, including reasonable

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attorneys' fees, unless the court finds that the agency action was substantially justified or that circumstances make an award unjust. A qualified party is considered to have prevailed if the qualified party obtained relief on a significant issue that achieves some benefit that the qualified party sought. Agencies paying fees and other expenses as a result of a judicial review are required to report all payments to the Office of Financial Management (OFM) within five days of paying the fees or other expenses.

Military Death or Disability Compensation.

If any member of the organized militia is injured, incapacitated, or otherwise disabled while in active state service or inactive duty, they shall receive from the state of Washington just and reasonable relief. All claims are reviewed by a board of three officers. The Adjutant General reviews the findings and submits it to the Governor for final approval. The reviewing officer or the Governor may return the proceedings for revision or for taking further testimony. The action of the board, once approved by the Governor, is final.

Subsistence, Lodging, and Travel Expenses.

The Director of the OFM shall prescribe reasonable allowances to cover reasonable and necessary subsistence and lodging expenses for elective and appointive officials and state employees while engaged on official business. Certain travel expenses are also authorized, such as reimbursement for mileage. Exceptions to restrictions on such expenses may be granted for the critically necessary work of an agency. The OFM approves any exemptions for agencies of the executive branch.

Cash Management of Public Funds.

The state Treasurer must take actions necessary to ensure the effective cash management of public funds. The Treasurer may delegate cash management responsibilities to affected agencies, with the concurrence of the OFM.

Borrowing Money.

The Director of the Department of Financial Institutions (DFI) and any DFI employees are prohibited from borrowing money from any entity under DFI's direct jurisdiction, with certain exceptions. The Director of the OFM must adopt rules, policies, and procedures pertaining to this provision.

Salary changes.

Salary changes necessary to achieve comparable worth shall be implemented during the 1983-85 biennium under a schedule developed by the OFM. "Comparable worth" means the provision of similar salaries for positions that require or impose similar responsibilities, judgments, knowledge, skills, and working conditions. Increases in salaries and compensation solely for the purpose of achieving comparable worth are made at least annually. Comparable worth for the jobs of all employees must be fully achieved not later than June 30, 1993.

Summary of Bill:

Attorney Fees—Judicial Review of Agency Action.

Agencies are no longer required to report the payment of fees and other expenses paid pursuant to a judicial review action to the OFM.

Military Death or Disability Compensation.

The Governor is no longer required to review decisions by the board. The responsibilities associated with reviewing the board's decisions is transferred to the Adjutant General.

Subsistence, Lodging, and Travel Expenses.

Exceptions to restrictions on subsistence, lodging, or travel expenses are no longer subject to the OFM's approval. Rather, the agency head or authorized designee is responsible for approving exceptions for boards, commissions, councils, committees, or similar groups in agencies of the executive branch. Separately elected officials, the President of any institution of higher education, or Executive Director, as appropriate, must approve exceptions for boards, commissions, councils, committees, or similar groups in the executive branch under the purview of a separately elected official, President of an institution of higher education, Chair, or Executive Director.

Cash Management of Public Funds.

The OFM is not required to concur with the delegation of cash management responsibilities to affected agencies.

Borrowing Money.

The requirement for OFM to adopt rules, policies, and procedures to interpret the restrictions relating to borrowing money by DFI employees is removed.

Salary Changes.

The provision related to salary changes is decodified.

Repeals.

The following statutes related to OFM duties are repealed:

- the requirement for each state university, regional university, and The Evergreen State College to create an institutional performance plan and negotiate the plan with the OFM;
- the requirement for a state agency to report quarterly to the OFM regarding architectural and engineering service contracts and modifications;
- provisions requiring the OFM consideration and approval prior to the establishment of a new board or commission not required in statute;
- the requirement for the Governor to review boards and commissions listed by the OFM;
- the requirement for the OFM to establish an interagency task force on unintended pregnancy; and
- the requirement for the OFM to report, in consultation with the Department of Commerce, on fiscal impacts to local government arising from selected laws enacted in the preceding five-year period.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.