
SENATE BILL 5316

State of Washington

67th Legislature

2021 Regular Session

By Senators Wilson, L., Rolfes, Braun, Brown, Dozier, Gildon, Rivers, Schoesler, Short, and Warnick

Read first time 01/21/21. Referred to Committee on Ways & Means.

1 AN ACT Relating to oversight of state financial management;
2 amending RCW 43.79.270 and 43.79.280; adding a new section to chapter
3 44.04 RCW; creating a new section; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that by
6 constitutional design Washington's legislature has since statehood
7 been a citizen legislature comprising individuals who conduct the
8 people's business and then return to Washington's diverse communities
9 to resume their lives as private individuals. The constitutional
10 design of a part-time citizen legislature relies on the effective
11 delegation of state fiscal authority to the executive branch and
12 effective executive branch implementation of its authority to make
13 expenditures on behalf of the state, along with appropriate oversight
14 of this delegation and implementation. Therefore, the legislature
15 finds it necessary to clarify delegated powers to the executive
16 branch to effectively manage the state's finances while the
17 legislature is not in session and to provide oversight during the
18 legislative interim. Specifically, the legislature finds the power
19 delegated to the governor to accept and expend unanticipated revenues
20 requires a defined oversight board to prevent infringement on the
21 legislature's sole constitutional power to appropriate state funds.

1 Therefore, the legislature intends to revise the powers and processes
2 to manage the state's finances and creates a joint legislative
3 committee to provide legislative input and oversight of executive
4 branch spending activities while the legislature is not in session.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 44.04
6 RCW to read as follows:

7 (1) There is hereby created a joint select committee to be known
8 as the joint legislative interim budget committee with the following
9 eight members:

10 (a) The majority and minority leaders of the senate;

11 (b) The speaker and the minority leader of the house of
12 representatives;

13 (c) Two additional members of the senate with one member from
14 each of the two largest caucuses of the senate appointed by their
15 respective leaders. These senators must be current members of the
16 ways and means committee; and

17 (d) Two additional members of the house of representatives with
18 one member from each of the major caucuses of the house of
19 representatives appointed by their respective leaders. These
20 representatives must be current members of the appropriations or
21 capital budget committees.

22 (2) The cochairs of the committee are the leaders of the two
23 largest caucuses of the senate in even-numbered years and the leaders
24 of the two largest caucuses of the house of representatives in odd-
25 numbered years.

26 (3) Staff support for the committee is provided by the senate
27 committee services and the house of representatives office of program
28 research.

29 (4) Members of the committee serve without additional
30 compensation, but must be reimbursed for travel expenses in
31 accordance with RCW 44.04.120. The expenses of the committee are paid
32 jointly by the senate and the house of representatives and
33 expenditures are subject to approval by the senate facilities and
34 operations committee and the house of representatives executive rules
35 committee, or their successor committees.

36 (5) The committee shall meet regularly, at least monthly, unless
37 the needs of the committee dictate more or less frequent meetings.
38 The committee may conduct its meetings by conference telephone call,
39 video call, or similar communications equipment so that all persons

1 participating in the meeting can hear each other at the same time.
2 The committee shall adopt rules and procedures for its orderly
3 operation. The activities of the committee are suspended during
4 regular or special legislative sessions.

5 (6) The committee, during the interim between sessions of the
6 legislature, exercise the following powers:

7 (a) Act on requests to spend any unanticipated revenues from the
8 federal government or from other sources awarded or actually received
9 pursuant to RCW 43.79.270;

10 (b) Study and review laws, rules, and issues related to the
11 financial management of the state and make recommendations to the
12 legislature; and

13 (c) Exercise powers and perform any other duties prescribed to it
14 by law.

15 (7) The committee may require a requesting state agency,
16 department, board, or commission to appear before the committee,
17 submit additional information, or engage in other activities
18 necessary for the committee to review and comment on requests.

19 (8) Action by the committee requires the affirmative vote of at
20 least six members of the committee. Actions of the committee include
21 approving or rejecting a request, in whole or in part. If the
22 committee is unable to meet or vote on a request, the request is
23 deemed rejected.

24 **Sec. 3.** RCW 43.79.270 and 2005 c 319 s 105 are each amended to
25 read as follows:

26 (1) ~~((Whenever any))~~ (a) Except as provided in (b) of this
27 subsection, whenever money in an amount less than five million
28 dollars, from the federal government, or from other sources, which
29 was not anticipated in the operating or capital budget approved by
30 the legislature has been awarded or has actually been received ~~((and~~
31 ~~is designated to be spent for a specific purpose))~~ when the
32 legislature is not in session, the head of any department, agency,
33 board, or commission through which such expenditure shall be made is
34 to submit to the governor a statement ~~((which may be))~~ in the form of
35 a request for an allotment amendment setting forth the facts
36 constituting the need for such expenditure and the estimated amount
37 to be expended ~~((: PROVIDED, That no expenditure shall be made in~~
38 ~~excess of the actual amount received, and no money shall be expended~~
39 ~~for any purpose except the specific purpose for which it was~~

1 received)). The request must also include an explanation of why the
2 availability of such moneys and why the necessity of their
3 expenditure could not have been anticipated in time for such
4 expenditures to have been approved as part of the operating or
5 capital budget act for that particular fiscal year. The governor may
6 reject or revise the request. A copy of any ((proposal submitted to
7 the governor to expend money from an appropriated fund or account in
8 excess of appropriations provided by law which is based on the
9 receipt of unanticipated revenues shall)) request the governor
10 desires to approve must be submitted to the joint legislative ((audit
11 and review)) interim budget committee ((and also to the standing
12 committees on ways and means of the house and senate if the
13 legislature is in session at the same time as it is transmitted to
14 the governor)). The committee must be provided ten calendar days to
15 review and comment on the governor's request prior to approval under
16 RCW 43.79.280.

17 (b) The process provided in subsection (2) of this section must
18 be followed if acceptance of the unanticipated revenues of less than
19 five million dollars would:

20 (i) Impose on the state any requirement to commit or expend new
21 state funds for any program or purpose;

22 (ii) Impose new or additional maintenance of effort requirements
23 on existing programs or sources of funding;

24 (iii) Fund a new activity, program, or service in or into the
25 next ensuing biennium;

26 (iv) Require implementation of the spending by contract or
27 agreement that would prevent the legislature from appropriating the
28 revenue; or

29 (v) Allow the state discretion to use the funds for multiple
30 programs or purposes within a single department, agency, board, or
31 commission or to use the funds in multiple departments, agencies,
32 boards, or commissions.

33 (2) ((Notwithstanding subsection (1) of this section, whenever))

34 (a) Whenever any money in the amount of five million dollars or more,
35 from the federal government, or from other sources, which was not
36 anticipated in the operating or capital budget approved by the
37 legislature has been awarded or has actually been received when the
38 legislature is not in session, the head of any department, agency,
39 board, or commission through which such expenditures shall be made
40 must submit a request to the governor in the form of a proposed

1 allotment amendment setting forth the facts constituting the need for
2 such expenditure and the estimated amount to be expended. The request
3 must also include an explanation of the timing, source, and
4 availability of such funds and why the need for expenditure could not
5 have been anticipated in time for such expenditure to have been
6 approved as part of the operating or capital budget act for that
7 particular fiscal year.

8 (b) The governor may reject or revise the request. Any request
9 the governor desires to approve under RCW 43.79.280 must be submitted
10 to the joint legislative interim budget committee for its prior
11 approval.

12 (3) Whenever money from any source that was not anticipated in
13 the transportation budget approved by the legislature has been
14 awarded or has actually been received when the legislature is not in
15 session and is designated to be spent for a specific purpose, the
16 head of a department, agency, board, or commission through which the
17 expenditure must be made shall submit to the governor a statement,
18 which may be in the form of a request for an allotment amendment,
19 setting forth the facts constituting the need for the expenditure and
20 the estimated amount to be expended. ((However, no expenditure may be
21 made in excess of the actual amount received, and no money may be
22 expended for any purpose except the specific purpose for which it was
23 received.)) A copy of any proposal submitted to the governor to
24 expend money from an appropriated transportation fund or account in
25 excess of appropriations provided by law that is based on the receipt
26 of unanticipated revenues must be submitted, at a minimum, to the
27 standing committees on transportation of the house and senate at the
28 same time as it is transmitted to the governor. The committees must
29 be provided ten calendar days to review and comment on the request
30 prior to approval under RCW 43.79.280.

31 (4) Expenditures authorized under this section may not be made in
32 excess of the actual amount received, and no money may be expended
33 for any purpose except the specific purpose for which it was
34 received.

35 (5) If unanticipated moneys from nonstate sources could be used
36 to save or replace general fund moneys to accomplish a budgeted
37 program or purpose, then the governor must also submit with the
38 request an alternative proposal to use the unanticipated moneys for
39 the sole purpose of reducing general fund allotments and to place
40 such moneys in unallotted reserve status. The joint legislative

1 interim budget committee may approve the request submitted by the
2 governor, in whole or in part, or the alternative proposal.

3 (6) The processes provided in this section must be followed to
4 revise an approved request under RCW 43.79.280 to change the amount
5 approved for expenditure or the purpose or use of the unanticipated
6 moneys. For all other revisions to approved requests, the governor
7 must notify the joint legislative interim budget committee of the
8 proposed changes and provide ten calendar days to review and comment
9 on the revision prior to its implementation.

10 (7) For purposes of this section, moneys have been awarded if the
11 state has received a document from the federal government or other
12 sources setting forth the terms and conditions of a grant,
13 cooperative agreement, or other agreement to receive financial
14 assistance.

15 **Sec. 4.** RCW 43.79.280 and 2009 c 549 s 5150 are each amended to
16 read as follows:

17 (1) If the governor approves such estimate in whole or part, he
18 or she shall endorse on each copy of the statement his or her
19 approval, together with a statement of the amount approved in the
20 form of an allotment amendment, and transmit one copy to the head of
21 the department, agency, board, or commission authorizing the
22 expenditure. An identical copy of the governor's statement of
23 approval and a statement of the amount approved for expenditure shall
24 be transmitted simultaneously to the joint legislative ((~~audit and~~
25 ~~review~~)) interim budget committee ((~~and also to the standing~~
26 ~~committee on ways and means of the house and senate of all executive~~
27 ~~approvals of proposals to expend money in excess of appropriations~~
28 ~~provided by law~~)).

29 (2) If the governor approves an estimate with transportation
30 funding implications, in whole or part, he or she shall endorse on
31 each copy of the statement his or her approval, together with a
32 statement of the amount approved in the form of an allotment
33 amendment, and transmit one copy to the head of the department,
34 agency, board, or commission authorizing the expenditure. An
35 identical copy of the governor's statement of approval of a proposal
36 to expend transportation money in excess of appropriations provided
37 by law and a statement of the amount approved for expenditure must be
38 transmitted simultaneously to the standing committees on
39 transportation of the house and senate.

1 (3) If the joint legislative interim budget committee has
2 rejected a request, in whole or in part, made pursuant to RCW
3 43.79.270, then the governor may not approve it. If the committee has
4 rejected the request, then the governor or the head of a department,
5 agency, board, or commission is free to submit new requests to spend
6 the unanticipated moneys.

7 (4) No further expenditures may be made pursuant to RCW 43.79.270
8 or this section once the legislature convenes for any regular or
9 special session and any unexpended moneys from approved requests must
10 be appropriated by law to be spent.

11 NEW SECTION. Sec. 5. This act is necessary for the immediate
12 preservation of the public peace, health, or safety, or support of
13 the state government and its existing public institutions, and takes
14 effect immediately.

--- END ---