H-1087.1

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**HOUSE BILL 1794**

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**State of Washington 69th Legislature 2025 Regular Session**

**By** Representatives Dufault and Jacobsen

AN ACT Relating to eliminating the office of financial management and recovering approximately $27.8 million of the $30 million the office of financial management misallocated in the 2023-2025 budget cycle; adding a new section to chapter 43.41 RCW; creating a new section; repealing RCW 43.41.030, 43.41.040, 43.41.050, 43.41.060, 43.41.070, 43.41.080, 43.41.100, 43.41.102, 43.41.104, 43.41.106, 43.41.110, 43.41.113, 43.41.120, 43.41.160, 43.41.170, 43.41.180, 43.41.260, 43.41.270, 43.41.275, 43.41.391, 43.41.392, 43.41.393, 43.41.394, 43.41.399, 43.41.400, 43.41.405, 43.41.410, 43.41.415, 43.41.420, 43.41.423, 43.41.425, 43.41.430, 43.41.433, 43.41.435, 43.41.440, 43.41.450, 43.41.455, 43.41.460, 43.41.470, 43.41.472, and 43.41.970; and providing an effective date.

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

NEW SECTION. **Sec.**  The purpose of this act is to eliminate the office of financial management and partially recover the $30 million that the office of financial management misallocated during the 2023-2025 budget cycle. It is anticipated in making these changes, general fund—state expenditures will be reduced by $27.8 million, with the remaining funds currently authorized for use by the office of financial management being rededicated to the functions that are not eliminated, but passed on to the department of revenue, the state auditor's office, and the state treasurer's office.

NEW SECTION. **Sec.**  A new section is added to chapter 43.41 RCW to read as follows:

(1) All powers, duties, and functions of the office of financial management are transferred to the department of revenue, the state auditor's office, and the state treasurer's office as appropriate. These departments and offices shall assume all responsibilities for budget preparation, fiscal analysis, and financial management. All references to the director of the office of financial management or the office of financial management in law shall be construed to mean the director of the department of revenue, state auditor, or state treasurer, or the department of revenue, the state auditor's office, or the state treasurer's office, as appropriate.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the office of financial management pertaining to the powers, functions, and duties transferred shall be delivered to the custody of the department of revenue, the state auditor's office, and the state treasurer's office as appropriate. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the office of financial management in carrying out the powers, functions, and duties transferred shall be made available to the department of revenue, the state auditor's office, and the state treasurer's office as appropriate. All funds, credits, or other assets held by the office of financial management shall be assigned to the department of revenue, the state auditor's office, and the state treasurer's office as appropriate.

(b) Any appropriations made to the office of financial management shall, on the effective date of this section, be transferred and credited to the department of revenue, the state auditor's office, and the state treasurer's office as appropriate.

(3) All rules and all pending business before the office of financial management shall be continued and acted upon by the department of revenue, the state auditor's office, and the state treasurer's office as appropriate. All existing contracts and obligations shall remain in full force and shall be performed by the department of revenue, the state auditor's office, and the state treasurer's office as appropriate.

(4) The transfer of the powers, duties, functions, and personnel of the office of financial management shall not affect the validity of any act performed before the effective date of this section.

NEW SECTION. **Sec.**  The following acts or parts of acts are each repealed:

(1) RCW 43.41.030 (Purpose) and 1979 c 151 s 109 & 1969 ex.s. c 239 s 1;

(2) RCW 43.41.040 (Definitions) and 1993 c 500 s 4, 1979 c 151 s 110, & 1969 ex.s. c 239 s 2;

(3) RCW 43.41.050 (Office of financial management created—Transfer of powers, duties, and functions) and 1979 c 151 s 111 & 1969 ex.s. c 239 s 3;

(4) RCW 43.41.060 (Director—Appointment—Salary—Vacancy—Delegation of powers and duties) and 2009 c 549 s 5118, 1979 c 151 s 112, & 1969 ex.s. c 239 s 4;

(5) RCW 43.41.070 (Personnel) and 1969 ex.s. c 239 s 5;

(6) RCW 43.41.080 (Deputy and assistant directors) and 1979 c 151 s 113 & 1969 ex.s. c 239 s 6;

(7) RCW 43.41.100 (Director's powers and duties) and 2009 c 549 s 5119, 1979 c 151 s 114, & 1969 ex.s. c 239 s 8;

(8) RCW 43.41.102 (Director—Contract for collection and tabulation of census block statistics) and 1979 c 151 s 115 & 1977 ex.s. c 128 s 5;

(9) RCW 43.41.104 (Settlement and payment of accounts—Duty to require) and 1979 c 151 s 116 & 1977 ex.s. c 144 s 10;

(10) RCW 43.41.106 (Settlement and payment of accounts—Authority to require testimony and evidence) and 2009 c 549 s 5120, 1979 c 151 s 117, & 1977 ex.s. c 144 s 11;

(11) RCW 43.41.110 (Powers and duties of office of financial management) and 2011 1st sp.s. c 43 s 510, 2002 c 332 s 23, 1981 2nd ex.s. c 4 s 13, & 1979 c 10 s 3;

(12) RCW 43.41.113 (Personnel policy and application of civil service laws) and 2015 3rd sp.s. c 1 s 321 & 2011 1st sp.s. c 43 s 430;

(13) RCW 43.41.120 (Advisory or coordinating councils) and 1975-'76 2nd ex.s. c 34 s 114 & 1969 ex.s. c 239 s 12;

(14) RCW 43.41.160 (State health care cost containment policies) and 2011 1st sp.s. c 15 s 70 & 1986 c 303 s 11;

(15) RCW 43.41.170 (Budgeting process—Agencies implementing energy conservation to retain cost savings) and 1989 c 11 s 15 & 1986 c 325 s 3;

(16) RCW 43.41.180 (Electronic funds and information transfer—State agency use) and 1993 c 500 s 2;

(17) RCW 43.41.260 (Monitoring enrollee level in basic health plan and medicaid caseload of children—Funding levels adjustment) and 2011 1st sp.s. c 15 s 71, 2009 c 479 s 28, & 1995 c 265 s 21;

(18) RCW 43.41.270 (Natural resource-related and environmentally based grant and loan programs—Administration and monitoring assistance) and 2020 c 20 s 1050 & 2009 c 345 s 12;

(19) RCW 43.41.275 (State agency employment—Disability employment—Reporting requirements) and 2023 c 148 s 4 & 2015 c 204 s 3;

(20) RCW 43.41.391 (K-20 network—Duty to govern and oversee technical design, implementation, and operation) and 2024 c 54 s 41, 2015 3rd sp.s. c 1 s 214, & 2011 1st sp.s. c 43 s 718;

(21) RCW 43.41.392 (K-20 operations cooperative—Maintained by office) and 2011 1st sp.s. c 43 s 719;

(22) RCW 43.41.393 (Technical plan of the K-20 telecommunications system and ongoing system enhancements—Contents) and 2017 c 52 s 14, 2015 3rd sp.s. c 1 s 215, & 2011 1st sp.s. c 43 s 720;

(23) RCW 43.41.394 (Oversight of technical aspects of K-20 network) and 2012 c 229 s 586 & 2011 1st sp.s. c 43 s 721;

(24) RCW 43.41.399 (Education technology revolving fund) and 2015 3rd sp.s. c 1 s 216, 2011 1st sp.s. c 43 s 722, 2004 c 276 s 910, 1999 c 285 s 10, & 1997 c 180 s 1;

(25) RCW 43.41.400 (Education data center) and 2021 c 164 s 15, 2017 3rd sp.s. c 6 s 223, 2016 c 72 s 108, 2012 c 229 s 585, 2009 c 548 s 201, & 2007 c 401 s 3;

(26) RCW 43.41.405 (K-12 data—Securing federal funds) and 2009 c 548 s 204;

(27) RCW 43.41.410 (State support for students at institutions of higher education—Information) and 2012 c 229 s 301;

(28) RCW 43.41.415 (Development of methods and protocols for measuring educational costs—Reports) and 2012 c 229 s 303, 2011 1st sp.s. c 11 s 105, 2004 c 275 s 15, 1995 1st sp.s. c 9 s 7, 1992 c 231 s 5, & 1989 c 245 s 3;

(29) RCW 43.41.420 (Undergraduate and graduate educational costs—Reports to regents and trustees) and 2012 c 229 s 304;

(30) RCW 43.41.423 (Extended student financial aid—Reports on impact) and 2024 c 323 s 6;

(31) RCW 43.41.425 (Program to certify employment for public service loan forgiveness—Awareness materials—Statewide initiative) and 2024 c 2 s 3, 2023 c 470 s 3016, & 2022 c 248 s 3;

(32) RCW 43.41.430 (Information technology investment pool—Information technology projects—Reports) and 2024 c 54 s 52 & 2013 2nd sp.s. c 33 s 5;

(33) RCW 43.41.433 (Information technology investment revolving account) and 2018 c 299 s 901 & 2017 3rd sp.s. c 1 s 950;

(34) RCW 43.41.435 (Enumeration data used for population estimates—Destruction) and 2014 c 14 s 2;

(35) RCW 43.41.440 (Statewide information technology system development revolving account—Contracts for enterprise information technology systems—"Enterprise information technology system" defined) and 2024 c 54 s 42 & 2015 3rd sp.s. c 1 s 502;

(36) RCW 43.41.450 (Office of financial management central service account) and 2023 c 435 s 1, 2022 c 297 s 953, 2017 3rd sp.s. c 1 s 968, & 2016 sp.s. c 36 s 927;

(37) RCW 43.41.455 (State agency office relocation pool account) and 2017 3rd sp.s. c 1 s 949;

(38) RCW 43.41.460 (Military recruitment program for veterans—Development—Report) and 2017 c 192 s 4;

(39) RCW 43.41.470 (Washington climate corps network) and 2023 c 231 s 2;

(40) RCW 43.41.472 (Washington climate corps network—Powers and duties) and 2023 c 231 s 3; and

(41) RCW 43.41.970 (Federal requirements for receipt of federal funds) and 1969 ex.s. c 239 s 20.

NEW SECTION. **Sec.**  This act takes effect July 1, 2026.

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