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**SUBSTITUTE HOUSE BILL 2140**

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**State of Washington**

**52nd Legislature**

**1991 Regular Session**

**By** House Committee on Transportation (originally sponsored by Representatives Schmidt, R. Fisher, H. Sommers, Holland, Franklin, Wilson and Betrozoff).

Read first time March 11, 1991.

1 AN ACT Relating to budgeting; amending RCW 43.88.030, 43.88.110,  
2 43.88.120, 47.05.070, and 43.88.020; reenacting and amending RCW  
3 43.88.160; creating a new section; and providing an effective date.

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

5 **Sec. 1.** RCW 43.88.030 and 1990 c 115 s 1 are each amended to read  
6 as follows:

7 (1) The director of financial management shall provide all agencies  
8 with a complete set of instructions for submitting biennial budget  
9 requests to the director at least three months before agency budget  
10 documents are due into the office of financial management. The  
11 director shall provide agencies that are required under RCW 44.40.070  
12 to develop comprehensive six-year program and financial plans with a  
13 complete set of instructions for submitting these program and financial  
14 plans at the same time that instructions for submitting other budget  
15 requests are provided. The budget document or documents shall consist

1 of the governor's budget message which shall be explanatory of the  
2 budget and shall contain an outline of the proposed financial policies  
3 of the state for the ensuing fiscal period, as well as an outline of  
4 the proposed six-year financial policies where applicable, and shall  
5 describe in connection therewith the important features of the budget.  
6 The message shall set forth the reasons for salient changes from the  
7 previous fiscal period in expenditure and revenue items and shall  
8 explain any major changes in financial policy. Attached to the budget  
9 message shall be such supporting schedules, exhibits and other  
10 explanatory material in respect to both current operations and capital  
11 improvements as the governor shall deem to be useful to the  
12 legislature. The budget document or documents shall set forth a  
13 proposal for expenditures in the ensuing fiscal period, or six-year  
14 period where applicable, based upon the estimated revenues as approved  
15 by the economic and revenue forecast council or upon the estimated  
16 revenues of the office of financial management for those funds,  
17 accounts, and sources for which the office of the economic and revenue  
18 forecast council does not prepare an official forecast, including those  
19 revenues anticipated to support the six-year programs and financial  
20 plans under RCW 44.40.070. In estimating revenues to support financial  
21 plans under RCW 44.40.070, the office of financial management shall  
22 rely on information and advice from the interagency revenue task force.  
23 Revenues shall be estimated for such fiscal period from the source and  
24 at the rates existing by law at the time of submission of the budget  
25 document, including the supplemental budgets submitted in the even-  
26 numbered years of a biennium. However, the estimated revenues for use  
27 in the governor's budget document may be adjusted to reflect budgetary  
28 revenue transfers and revenue estimates dependent upon budgetary  
29 assumptions of enrollments, workloads, and caseloads. All adjustments  
30 to the approved estimated revenues must be set forth in the budget

1 document. The governor may additionally submit, as an appendix to each  
2 supplemental, biennial, or six-year agency budget or to the budget  
3 document or documents, a proposal for expenditures in the ensuing  
4 fiscal period from revenue sources derived from proposed changes in  
5 existing statutes.

6 Supplemental and biennial documents shall reflect a six-year  
7 expenditure plan consistent with estimated revenues from existing  
8 sources and at existing rates for those agencies required to submit  
9 six-year program and financial plans under RCW 44.40.070. Any  
10 additional revenue resulting from proposed changes to existing statutes  
11 shall be separately identified within the document as well as related  
12 expenditures for the six-year period.

13 The budget document or documents shall also contain:

14 (a) Revenues classified by fund and source for the immediately past  
15 fiscal period, those received or anticipated for the current fiscal  
16 period, ~~((and))~~ those anticipated for the ensuing biennium, and those  
17 anticipated for the ensuing six-year period to support the six-year  
18 programs and financial plans required under RCW 44.40.070;

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

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

23 (d) Such additional information dealing with revenues and  
24 expenditures as the governor shall deem pertinent and useful to the  
25 legislature;

26 (e) Tabulations showing expenditures classified by fund, function,  
27 activity and object;

28 (f) A delineation of each agency's activities, including those  
29 activities funded from nonbudgeted, nonappropriated sources, including  
30 funds maintained outside the state treasury; and

1 (g) Identification of all proposed direct expenditures to implement  
2 the Puget Sound water quality plan under chapter 90.70 RCW, shown by  
3 agency and in total.

4 (2) The budget document or documents shall include detailed  
5 estimates of all anticipated revenues applicable to proposed operating  
6 or capital expenditures and shall also include all proposed operating  
7 or capital expenditures. The total of beginning undesignated fund  
8 balance and estimated revenues less working capital and other reserves  
9 shall equal or exceed the total of proposed applicable expenditures.  
10 The budget document or documents shall further include:

11 (a) Interest, amortization and redemption charges on the state  
12 debt;

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

14 (c) Other statutory expenditures;

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

16 (e) Revenues derived from agency operations;

17 (f) Expenditures and revenues shall be given in comparative form  
18 showing those incurred or received for the immediately past fiscal  
19 period and those anticipated for the current biennium and next ensuing  
20 biennium, as well as those required to support the six-year programs  
21 and financial plans required under RCW 44.40.070;

22 (g) A showing and explanation of amounts of general fund and other  
23 funds obligations for debt service and any transfers of moneys that  
24 otherwise would have been available for ~~((general—fund))~~  
25 appropriation~~((s))~~;

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

27 (i) A showing, by agency, of the value and purpose of financing  
28 contracts for the lease/purchase or acquisition of personal or real  
29 property for the current and ensuing fiscal periods.

1 (3) A separate capital budget document or schedule ((may)) shall be  
2 submitted ((consisting of)) that will contain the following:

3 (a) ~~((Expenditures incident to current or pending capital projects  
4 and to proposed new capital projects, relating the respective amounts  
5 proposed to be raised therefor by appropriations in the budget and the  
6 respective amounts proposed to be raised therefor by the issuance of  
7 bonds during))~~ A capital plan consisting of proposed capital spending  
8 for at least four fiscal periods succeeding the next fiscal period;

9 (b) A capital program consisting of proposed capital projects for  
10 at least the two fiscal periods succeeding the next fiscal period(~~(-~~  
11 ~~The capital program shall include for each proposed project a statement  
12 of the reason or purpose for the project along with an estimate of its  
13 cost))~~);

14 (c) ~~((Such other information bearing upon capital projects as the  
15 governor shall deem to be useful to the legislature;~~

16 ~~(d) Such other information relating to capital improvement projects  
17 as the legislature may direct by law or concurrent resolution))~~ A  
18 statement of the reason or purpose for a project;

19 (d) Verification that a project is consistent with the provisions  
20 set forth in chapter 36.70A RCW;

21 (e) A statement about the proposed site, size, and estimated life  
22 of the project, if applicable;

23 (f) Estimated total project cost;

24 (g) Estimated total project cost for each phase of the project as  
25 defined by the office of financial management;

26 (h) Estimated ensuing biennium costs;

27 (i) Estimated costs beyond the ensuing biennium;

28 (j) Estimated construction start and completion dates;

29 (k) Source and type of funds proposed;

1       (l) Such other information bearing upon capital projects as the  
2 governor deems to be useful;

3       (m) Such other information as the legislature may direct by law or  
4 concurrent resolution.

5       For purposes of this subsection (3), the term "capital project"  
6 shall be defined subsequent to the analysis, findings, and  
7 recommendations of a joint committee comprised of representatives from  
8 the house capital appropriations committee, senate ways and means  
9 committee, legislative transportation committee, and office of  
10 financial management.

11       (4) No change affecting the comparability of agency or program  
12 information relating to expenditures, revenues, workload, performance  
13 and personnel shall be made in the format of any budget document or  
14 report presented to the legislature under this section or RCW  
15 43.88.160(1) relative to the format of the budget document or report  
16 which was presented to the previous regular session of the legislature  
17 during an odd-numbered year without prior legislative concurrence.  
18 Prior legislative concurrence shall consist of (a) a favorable majority  
19 vote on the proposal by the standing committees on ways and means of  
20 both houses if the legislature is in session or (b) a favorable  
21 majority vote on the proposal by members of the legislative evaluation  
22 and accountability program committee if the legislature is not in  
23 session.

24       **Sec. 2.** RCW 43.88.110 and 1987 c 502 s 5 are each amended to read  
25 as follows:

26       This section sets forth the expenditure programs and the allotment  
27 and reserve procedures to be followed by the executive branch for  
28 public funds.

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

3        ~~((1))~~ (2) The director of financial management shall provide all  
4 agencies with a complete set of operating and capital instructions for  
5 preparing a statement of proposed expenditures at least thirty days  
6 before the beginning of a fiscal period. The set of instructions need  
7 not include specific appropriation amounts for the agency.

8        ~~((2))~~ (3) Within forty-five days after the beginning of the  
9 fiscal period or within forty-five days after the governor signs the  
10 omnibus biennial appropriations act, whichever is later, all agencies  
11 shall submit to the governor a statement of proposed expenditures at  
12 such times and in such form as may be required by the governor.

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

16        (a) Appropriations made for capital projects including  
17 transportation projects;

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

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

21        (d) Comparisons of estimated construction start and completion  
22 dates with actual dates;

23        (e) Documentation of fund shifts between projects.

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

27        (5) If at any time during the fiscal period the governor projects  
28 a cash deficit in a particular fund or account as defined by RCW  
29 43.88.050, the governor shall make across-the-board reductions in  
30 allotments for that particular fund or account so as to prevent a cash

1 deficit, unless the legislature has directed the liquidation of the  
2 cash deficit over one or more fiscal periods. Except for the  
3 legislative and judicial branches and other agencies headed by elective  
4 officials, the governor shall review the statement of proposed  
5 operating expenditures for reasonableness and conformance with  
6 legislative intent. Once the governor approves the statements of  
7 proposed operating expenditures, further revisions shall be made only  
8 at the beginning of the second fiscal year and must be initiated by the  
9 governor. However, changes in appropriation level authorized by the  
10 legislature, changes required by across-the-board reductions mandated  
11 by the governor, and changes caused by executive increases to spending  
12 authority may require additional revisions. Revisions shall not be  
13 made retroactively. Revisions caused by executive increases to  
14 spending authority shall not be made after June 30, 1987. However, the  
15 governor may assign to a reserve status any portion of an agency  
16 appropriation withheld as part of across-the-board reductions made by  
17 the governor and any portion of an agency appropriation conditioned on  
18 a contingent event by the appropriations act. The governor may remove  
19 these amounts from reserve status if the across-the-board reductions  
20 are subsequently modified or if the contingent event occurs. The  
21 director of financial management shall enter approved statements of  
22 proposed expenditures into the state budgeting, accounting, and  
23 reporting system within forty-five days after receipt of the proposed  
24 statements from the agencies. If an agency or the director of  
25 financial management is unable to meet these requirements, the director  
26 of financial management shall provide a timely explanation in writing  
27 to the legislative fiscal committees.

28 ((+3+)) (6) It is expressly provided that all agencies shall be  
29 required to maintain accounting records and to report thereon in the  
30 manner prescribed in this chapter and under the regulations issued

1 pursuant to this chapter. Within ninety days of the end of the fiscal  
2 year, all agencies shall submit to the director of financial management  
3 their final adjustments to close their books for the fiscal year.  
4 Prior to submitting fiscal data, written or oral, to committees of the  
5 legislature, it is the responsibility of the agency submitting the data  
6 to reconcile it with the budget and accounting data reported by the  
7 agency to the director of financial management.

8 (7) The director of financial management shall monitor agency  
9 operating expenditures against the approved statement of proposed  
10 expenditures and shall provide the legislature with quarterly  
11 explanations of major variances.

12 ~~((4))~~ (8) The director of financial management may exempt certain  
13 public funds from the allotment controls established under this chapter  
14 if it is not practical or necessary to allot the funds. Allotment  
15 control exemptions expire at the end of the fiscal biennium for which  
16 they are granted. The director of financial management shall report  
17 any exemptions granted under this subsection to the legislative fiscal  
18 committees.

19 **Sec. 3.** RCW 43.88.120 and 1987 c 502 s 6 are each amended to read  
20 as follows:

21 Each agency engaged in the collection of revenues shall prepare  
22 estimated revenues and estimated receipts for the current and ensuing  
23 biennium and shall submit the estimates to the director of financial  
24 management and the director of revenue at times and in the form  
25 specified by the directors, along with any other information which the  
26 directors may request. For those agencies required to develop six-year  
27 programs and financial plans under RCW 44.40.070, six-year revenue  
28 estimates shall be submitted to the director of financial management

1 and the legislative transportation committee unless the responsibility  
2 for reporting these revenue estimates is assumed elsewhere.

3 A copy of such revenue estimates shall be simultaneously submitted  
4 to the economic and revenue forecast work group when required by the  
5 office of the economic and revenue forecast council.

6 **Sec. 4.** RCW 43.88.160 and 1987 c 505 s 36 and 1987 c 436 s 1 are  
7 each reenacted and amended to read as follows:

8 This section sets forth the major fiscal duties and  
9 responsibilities of officers and agencies of the executive branch. The  
10 regulations issued by the governor pursuant to this chapter shall  
11 provide for a comprehensive, orderly basis for fiscal management and  
12 control, including efficient accounting and reporting therefor, for the  
13 executive branch of the state government and may include, in addition,  
14 such requirements as will generally promote more efficient public  
15 management in the state.

16 (1) Governor; director of financial management. The governor,  
17 through the director of financial management, shall devise and  
18 supervise a modern and complete accounting system for each agency to  
19 the end that all revenues, expenditures, receipts, disbursements,  
20 resources, and obligations of the state shall be properly and  
21 systematically accounted for. The accounting system shall include the  
22 development of accurate, timely records and reports of all financial  
23 affairs of the state. The system shall also provide for central  
24 accounts in the office of financial management at the level of detail  
25 deemed necessary by the director to perform central financial  
26 management. The director of financial management shall adopt and  
27 periodically update an accounting procedures manual. Any agency  
28 maintaining its own accounting and reporting system shall comply with  
29 the updated accounting procedures manual and the rules of the director

1 adopted under this chapter. An agency may receive a waiver from  
2 complying with this requirement if the waiver is approved by the  
3 director. Waivers expire at the end of the fiscal biennium for which  
4 they are granted. The director shall forward notice of waivers granted  
5 to the appropriate legislative fiscal committees. The director of  
6 financial management may require such financial, statistical, and other  
7 reports as the director deems necessary from all agencies covering any  
8 period.

9 (2) The director of financial management is responsible for  
10 quarterly reporting of primary operating budget drivers such as  
11 applicable workloads, caseload estimates, and appropriate unit cost  
12 data. These reports shall be transmitted to the legislative fiscal  
13 committees or by electronic means to the legislative evaluation and  
14 accountability program committee. Quarterly reports shall include  
15 actual monthly data and the variance between actual and estimated data  
16 to date. The reports shall also include estimates of these items for  
17 the remainder of the budget period.

18 (3) The director of financial management shall report at least  
19 annually to the appropriate legislative committees regarding the status  
20 of all appropriated capital projects, including transportation  
21 projects, showing significant cost overruns or underruns. If funds are  
22 shifted from one project to another, the office of financial management  
23 shall also reflect this in the annual variance report. Once a project  
24 is complete, the report shall provide a final summary showing estimated  
25 start and completion dates of each project phase compared to actual  
26 dates, estimated costs of each project phase compared to actual costs,  
27 and whether or not there are any outstanding liabilities or unsettled  
28 claims at the time of completion.

29 (4) In addition, the director of financial management, as agent of  
30 the governor, shall:

1 (a) Make surveys and analyses of agencies with the object of  
2 determining better methods and increased effectiveness in the use of  
3 manpower and materials; and the director shall authorize expenditures  
4 for employee training to the end that the state may benefit from  
5 training facilities made available to state employees;

6 (b) Report to the governor with regard to duplication of effort or  
7 lack of coordination among agencies;

8 (c) Review any pay and classification plans, and changes  
9 thereunder, developed by any agency for their fiscal impact: PROVIDED,  
10 That none of the provisions of this subsection shall affect merit  
11 systems of personnel management now existing or hereafter established  
12 by statute relating to the fixing of qualifications requirements for  
13 recruitment, appointment, or promotion of employees of any agency. The  
14 director shall advise and confer with agencies including appropriate  
15 standing committees of the legislature as may be designated by the  
16 speaker of the house and the president of the senate regarding the  
17 fiscal impact of such plans and may amend or alter said plans, except  
18 that for the following agencies no amendment or alteration of said  
19 plans may be made without the approval of the agency concerned:  
20 Agencies headed by elective officials;

21 (d) Fix the number and classes of positions or authorized man years  
22 of employment for each agency and during the fiscal period amend the  
23 determinations previously fixed by the director except that the  
24 director shall not be empowered to fix said number or said classes for  
25 the following: Agencies headed by elective officials;

26 (e) Provide for transfers and repayments between the budget  
27 stabilization account and the general fund as directed by appropriation  
28 and RCW 43.88.525 through 43.88.540;

29 (f) Promulgate regulations to effectuate provisions contained in  
30 subsections (a) through (e) hereof.

1       (~~(2)~~) (5) The treasurer shall:

2       (a) Receive, keep, and disburse all public funds of the state not  
3 expressly required by law to be received, kept, and disbursed by some  
4 other persons: PROVIDED, That this subsection shall not apply to those  
5 public funds of the institutions of higher learning which are not  
6 subject to appropriation;

7       (b) Disburse public funds under the treasurer's supervision or  
8 custody by warrant or check;

9       (c) Keep a correct and current account of all moneys received and  
10 disbursed by the treasurer, classified by fund or account;

11       (d) Perform such other duties as may be required by law or by  
12 regulations issued pursuant to this law.

13       It shall be unlawful for the treasurer to issue any warrant or  
14 check for public funds in the treasury except upon forms duly  
15 prescribed by the director of financial management. Said forms shall  
16 provide for authentication and certification by the agency head or the  
17 agency head's designee that the services have been rendered or the  
18 materials have been furnished; or, in the case of loans or grants, that  
19 the loans or grants are authorized by law; or, in the case of payments  
20 for periodic maintenance services to be performed on state owned  
21 equipment, that a written contract for such periodic maintenance  
22 services is currently in effect and copies thereof are on file with the  
23 office of financial management; and the treasurer shall not be liable  
24 under the treasurer's surety bond for erroneous or improper payments so  
25 made: PROVIDED, That when services are lawfully paid for in advance of  
26 full performance by any private individual or business entity other  
27 than as provided for by RCW 42.24.035, such individual or entity other  
28 than central stores rendering such services shall make a cash deposit  
29 or furnish surety bond coverage to the state as shall be fixed in an  
30 amount by law, or if not fixed by law, then in such amounts as shall be

1 fixed by the director of the department of general administration but  
2 in no case shall such required cash deposit or surety bond be less than  
3 an amount which will fully indemnify the state against any and all  
4 losses on account of breach of promise to fully perform such services:  
5 AND PROVIDED FURTHER, That no payments shall be made in advance for any  
6 equipment maintenance services to be performed more than three months  
7 after such payment. Any such bond so furnished shall be conditioned  
8 that the person, firm or corporation receiving the advance payment will  
9 apply it toward performance of the contract. The responsibility for  
10 recovery of erroneous or improper payments made under this section  
11 shall lie with the agency head or the agency head's designee in  
12 accordance with regulations issued pursuant to this chapter. Nothing  
13 in this section shall be construed to permit a public body to advance  
14 funds to a private service provider pursuant to a grant or loan before  
15 services have been rendered or material furnished.

16 ((+3)) (6) The state auditor shall:

17 (a) Report to the legislature the results of current post audits  
18 that have been made of the financial transactions of each agency; to  
19 this end the auditor may, in the auditor's discretion, examine the  
20 books and accounts of any agency, official or employee charged with the  
21 receipt, custody or safekeeping of public funds. The current post  
22 audit of each agency may include a section on recommendations to the  
23 legislature as provided in (c) of this subsection (~~((+3)(c) of this~~  
24 ~~section))~~).

25 (b) Give information to the legislature, whenever required, upon  
26 any subject relating to the financial affairs of the state.

27 (c) Make the auditor's official report on or before the thirty-  
28 first of December which precedes the meeting of the legislature. The  
29 report shall be for the last complete fiscal period and shall include  
30 at least the following:

1 Determinations as to whether agencies, in making expenditures,  
2 complied with the laws of this state: PROVIDED, That nothing in this  
3 (~~act shall~~) section may be construed to grant the state auditor the  
4 right to perform performance audits. A performance audit for the  
5 purpose of this (~~act shall be~~) section is the examination of the  
6 effectiveness of the administration, its efficiency, and its adequacy  
7 in terms of the programs of departments or agencies as previously  
8 approved by the legislature. The authority and responsibility to  
9 conduct such an examination shall be vested in the legislative budget  
10 committee as prescribed in RCW 44.28.085 (~~as now or hereafter~~  
11 ~~amended~~)).

12 (d) Be empowered to take exception to specific expenditures that  
13 have been incurred by any agency or to take exception to other  
14 practices related in any way to the agency's financial transactions and  
15 to cause such exceptions to be made a matter of public record,  
16 including disclosure to the agency concerned and to the director of  
17 financial management. It shall be the duty of the director of  
18 financial management to cause corrective action to be taken promptly,  
19 such action to include, as appropriate, the withholding of funds as  
20 provided in RCW 43.88.110.

21 (e) Promptly report any irregularities to the attorney general.

22 (~~(4)~~) (7) The legislative budget committee may:

23 (a) Make post audits of the financial transactions of any agency  
24 and management surveys and program reviews as provided for in RCW  
25 44.28.085 (~~as now or hereafter amended~~)). To this end the committee  
26 may in its discretion examine the books, accounts, and other records of  
27 any agency, official, or employee.

28 (b) Give information to the legislature or any legislative  
29 committee whenever required upon any subject relating to the  
30 performance and management of state agencies.

1 (c) Make a report to the legislature which shall include at least  
2 the following:

3 (i) Determinations as to the extent to which agencies in making  
4 expenditures have complied with the will of the legislature and in this  
5 connection, may take exception to specific expenditures or financial  
6 practices of any agencies; and

7 (ii) Such plans as it deems expedient for the support of the  
8 state's credit, for lessening expenditures, for promoting frugality and  
9 economy in agency affairs and generally for an improved level of fiscal  
10 management.

11 **Sec. 5.** RCW 47.05.070 and 1983 1st ex.s. c 53 s 31 are each  
12 amended to read as follows:

13 The transportation commission shall approve and present to the  
14 governor and to the legislature prior to its convening, a recommended  
15 budget for the ensuing ~~((biennium))~~ fiscal period as well as the  
16 comprehensive six-year program and financial plan required under RCW  
17 44.40.070, 44.40.080, 47.05.030, and 47.05.040. The ~~((biennial))~~  
18 budget shall include details of proposed expenditures, and performance  
19 and public service criteria for construction, maintenance, and planning  
20 activities in consonance with the comprehensive six-year program and  
21 financial plan ~~((adopted under provisions of RCW 44.40.070 and~~  
22 ~~47.05.040))~~.

23 **Sec. 6.** RCW 43.88.020 and 1990 c 229 s 4 are each amended to read  
24 as follows:

25 (1) "Budget" ~~((shall))~~ means a proposed plan of expenditures for a  
26 given period or purpose and the proposed means for financing these  
27 expenditures.

1 (2) "Budget document" (~~shall~~) means a formal, written statement  
2 offered by the governor to the legislature, as provided in RCW  
3 43.88.030.

4 (3) "Director of financial management" (~~shall~~) means the official  
5 appointed by the governor to serve at the governor's pleasure and to  
6 whom the governor may delegate necessary authority to carry out the  
7 governor's duties as provided in this chapter. The director of  
8 financial management shall be head of the office of financial  
9 management which shall be in the office of the governor.

10 (4) "Agency" (~~shall~~) means and includes every state office,  
11 officer, each institution, whether educational, correctional or other,  
12 and every department, division, board and commission, except as  
13 otherwise provided in this chapter.

14 (5) "Public funds", for purposes of this chapter, (~~shall~~) means  
15 all moneys, including cash, checks, bills, notes, drafts, stocks, and  
16 bonds, whether held in trust, for operating purposes, or for capital  
17 purposes, and collected or disbursed under law, whether or not such  
18 funds are otherwise subject to legislative appropriation, including  
19 funds maintained outside the state treasury.

20 (6) "Regulations" (~~shall~~) means the policies, standards, and  
21 requirements, stated in writing, designed to carry out the purposes of  
22 this chapter, as issued by the governor or the governor's designated  
23 agent, and which shall have the force and effect of law.

24 (7) "Ensuing biennium" (~~shall~~) means the fiscal biennium  
25 beginning on July 1st of the same year in which a regular session of  
26 the legislature is held during an odd-numbered year pursuant to Article  
27 II, section 12 of the Constitution and which biennium next succeeds the  
28 current biennium.

29 (8) "Dedicated fund" means a fund in the state treasury, or a  
30 separate account or fund in the general fund in the state treasury,

1 that by law is dedicated, appropriated or set aside for a limited  
2 object or purpose; but "dedicated fund" (~~shall~~) does not include a  
3 revolving fund or a trust fund.

4 (9) "Revolving fund" means a fund in the state treasury,  
5 established by law, from which is paid the cost of goods or services  
6 furnished to or by a state agency, and which is replenished through  
7 charges made for such goods or services or through transfers from other  
8 accounts or funds.

9 (10) "Trust fund" means a fund in the state treasury in which  
10 designated persons or classes of persons have a vested beneficial  
11 interest or equitable ownership, or which was created or established by  
12 a gift, grant, contribution, devise, or bequest that limits the use of  
13 the fund to designated objects or purposes.

14 (11) "Administrative expenses" means expenditures for: (a)  
15 Salaries, wages, and related costs of personnel and (b) operations and  
16 maintenance including but not limited to costs of supplies, materials,  
17 services, and equipment.

18 (12) "Fiscal year" means the year beginning July 1st and ending the  
19 following June 30th.

20 (13) "Lapse" means the termination of authority to expend an  
21 appropriation.

22 (14) "Legislative fiscal committees" means the legislative budget  
23 committee, the legislative evaluation and accountability program  
24 committee, the ways and means committees of the senate and house of  
25 representatives, and, where appropriate, the legislative transportation  
26 committee.

27 (15) "Fiscal period" means the period for which an appropriation is  
28 made as specified within the act making the appropriation.

29 (16) "Primary budget driver" means the primary determinant of a  
30 budget level, other than a price variable, which causes or is

1 associated with the major expenditure of an agency or budget unit  
2 within an agency, such as a caseload, enrollment, workload, or  
3 population statistic.

4 (17) "Stabilization account" means the budget stabilization account  
5 created under RCW 43.88.525 as an account in the general fund of the  
6 state treasury.

7 (18) "State tax revenue limit" means the limitation created by  
8 chapter 43.135 RCW.

9 (19) "General state revenues" means the revenues defined by Article  
10 VIII, section 1(c) of the state Constitution.

11 (20) "Annual growth rate in real personal income" means the  
12 estimated percentage growth in personal income for the state during the  
13 current fiscal year, expressed in constant value dollars, as published  
14 by the office of financial management or its successor agency.

15 (21) "Estimated revenues" means estimates of revenue in the most  
16 recent official economic and revenue forecast prepared under RCW  
17 82.33.020, and prepared by the office of financial management for those  
18 funds, accounts, and sources for which the office of the economic and  
19 revenue forecast council does not prepare an official forecast  
20 including estimates of revenues to support financial plans under RCW  
21 44.40.070, that are prepared by the office of financial management in  
22 consultation with the interagency task force.

23 (22) "Estimated receipts" means the estimated receipt of cash in  
24 the most recent official economic and revenue forecast prepared under  
25 RCW 82.33.020, and prepared by the office of financial management for  
26 those funds, accounts, and sources for which the office of the economic  
27 and revenue forecast council does not prepare an official forecast.

28 (23) "State budgeting, accounting, and reporting system" means a  
29 system that gathers, maintains, and communicates fiscal information.  
30 The system links fiscal information beginning with development of

1 agency budget requests through adoption of legislative appropriations  
2 to tracking actual receipts and expenditures against approved plans.

3 (24) "Allotment of appropriation" means the agency's statement of  
4 proposed expenditures, the director of financial management's review of  
5 that statement, and the placement of the approved statement into the  
6 state budgeting, accounting, and reporting system.

7 (25) "Statement of proposed expenditures" means a plan prepared by  
8 each agency that breaks each appropriation out into monthly detail  
9 representing the best estimate of how the appropriation will be  
10 expended.

11 (26) "Undesignated fund balance (or deficit)" means unreserved and  
12 undesignated current assets or other resources available for  
13 expenditure over and above any current liabilities which are expected  
14 to be incurred by the close of the fiscal period.

15 NEW SECTION. **Sec. 7.** Where there are variances of revenue  
16 forecasts between the office of financial management and the  
17 interagency revenue task force, for those transportation agencies that  
18 are required to develop plans under RCW 44.40.070, the office of  
19 financial management shall submit (1) a reconciliation of the  
20 differences between the revenue forecasts and (2) the assumptions used  
21 by the office of financial management to the legislative transportation  
22 committee.

23 NEW SECTION. **Sec. 8.** This act shall take effect April 1,  
24 1992.