

SENATE BILL REPORT

ESHB 2921

As Reported by Senate Committee On:
Ways & Means, January 28, 2010

Title: An act relating to fiscal matters.

Brief Description: Making 2010 supplemental operating appropriations.

Sponsors: House Committee on Ways & Means (originally sponsored by Representatives Linville, Darneille, Ericks, Pettigrew, Probst, Haigh, Sullivan, Kelley and Wallace).

Brief History: Passed House: 1/22/10, 77-19.

Committee Activity: Ways & Means: 1/26/10, 1/28/10 [DPA].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hobbs, Honeyford, Keiser, Kline, Kohl-Welles, McDermott, Parlette, Pflug, Pridemore, Regala, Rockefeller and Schoesler.

Staff: Steve Jones (786-7440)

Background: The state government operates on a fiscal biennium that begins July 1 of each odd-numbered year. The 2009-11 biennial operating budget appropriated \$31.4 billion from the state General Fund and two other accounts, referred to as Near General Fund-State. The total budgeted amount, which includes state and federal funds, is \$58.7 billion.

Summary of Bill (Recommended Amendments): Appropriations are modified for the 2009-11 biennium. Near General Fund-State appropriations are reduced by \$45.4 million. Total budgeted funds decrease by \$54.8 million.

State agencies are prohibited, except for a number of exemptions, from creating new positions and filling vacant positions, from entering into personal service contracts, from purchasing equipment over \$5,000, and from paying for out-of-state travel for the remainder of the biennium. An exception process is established for critically necessary work of an agency when approved by the director of the Office of Financial Management for non-judicial and non-legislative agencies, the Chief Justice of the Supreme Court for judicial

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agencies, and the Secretary of the Senate and Chief Clerk of the House of Representatives for legislative agencies. Authorized exceptions must be published electronically at least quarterly on the state fiscal website.

The provisions prohibiting hiring, personal service contracts, out-of-state travel, and equipment purchases over \$5,000 take effect 30 days after the effective date of the act.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Amendments): Agricultural commodity commissions and agricultural inspection programs are exempt from the limitations on new employee hires, personal services contracts, equipment purchases, and out-of-state travel and training. The Joint Transportation Committee is exempt from the prohibition on personal services contracts.

Appropriation: The bill contains multiple appropriations.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony on Engrossed Substitute House Bill: OTHER: The freezes on hiring, personal service contracts, equipment purchases, and out-of-state travel and training are unnecessary and constitute randomized cuts to state programs, resulting in unintended service reductions. These unintended reductions will impact the business community as well as the state. Instead, the Legislature should set a budget and allow agencies to manage their resources. The freezes should exempt the state's agricultural commodity commissions and the agricultural inspection programs; these programs are self-supporting, do not cost any General Fund money, and promote international trade in Washington-grown products. Family policy councils should not be reduced because budget cuts have already been implemented; the proviso language needs to be clarified to preserve the services provided by the family policy councils.

Persons Testifying: OTHER: Julie Murray, Office of Financial Management; Jim Jesernig, Washington Wheat Growers, Washington Potato Commission; Todd Fryhover, Washington Apple Commission; Charlie Brown, Washington Asparagus Commission; Trish McNabb, Community Network Coalition.