

SENATE BILL REPORT

HB 2911

As Reported By Senate Committee On:
Transportation, February 23, 1996

Title: An act relating to performance budgeting for transportation agencies.

Brief Description: Establishing performance budgeting for transportation agencies.

Sponsors: Representatives Robertson, K. Schmidt, R. Fisher, Backlund, Blanton and Wolfe.

Brief History:

Committee Activity: Transportation: 2/14/96, 2/23/96 [DPA].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended.

Signed by Senators Owen, Chair; Heavey, Vice Chair; Morton, Prentice, Prince, Rasmussen and Wood.

Staff: Brad Lovaas (786-7307)

Background: Chapter 43.88 RCW, commonly referred to as the Budget and Accounting Act, serves as the basis for state agency budget and accounting practices. The Budget and Accounting Act directs the director of financial management to provide state agencies with budget instructions at least three months prior to the agency request budget being due to the Office of Financial Management (OFM) and the Legislature.

The current budget process is based upon the presumption of continuing current service levels with marginal changes. Terms such as CAL (current authorized level), ERL (essential requirement level), and decision packages or policy items are used to build state agencies' budgets.

The Washington Performance Partnership Council was established by the 1994 Legislature to 1) establish a strategic intent for state government; 2) establish continuous improvement efforts of state government programs; and 3) establish performance measurements and redesign of the budget process.

The Legislative Transportation Committee (LTC) leadership has expressed their willingness to work with OFM and the transportation agencies to improve the transportation budgeting process.

The major transportation agencies [the Department of Transportation (DOT), Washington State Patrol (WSP), and Department of Licensing (DOL)] all have 1) strategic plans; 2) cost accounting systems; 3) performance measures for most programs; 4) quality initiatives; and 5) legislative oversight and management reporting capabilities with the fiscal and performance monitoring system within the transportation executive information system

(TEIS). With few exceptions, all the activities listed above have been required as part of budget provisos and have no statutory effect once the budget period lapses.

Summary of Amended Bill: The Washington State Legislature, the Governor, and other public officials expect continued improvement in accountability of government services. The development of the use of new budget tools, techniques, and approaches will assist in achieving these goals. Pilot programs and experimentation by the three major transportation agencies -- DOT, WSP and DOL -- are necessary to evaluate the effectiveness and usefulness of these new approaches and budgeting tools.

The transportation agencies must submit a detailed six-year program and financial plan in support of the agencies' budget request for the 1997-99 biennium. The agencies are required to submit, as part of their agency request budgets, a strategic plan that serves as the basis for the biennial budget request, including performance measurement and/or benchmarks for each major activity.

Decision packages submitted as part of the 1997-99 biennial budget must be directly linked to the strategic plan for each agency. Any decision packages not directly linked must be so identified.

The Transportation Budget Improvement Advisory Committee is created with membership from the staff of the Office of Financial Management, Legislative Transportation Committee, and the three major transportation agencies.

The committee is to make recommendations regarding specific methods and proposals for implementing changes to the current transportation budgeting process.

Amended Bill Compared to Original Bill: The requirement that the Governor's budget instructions include an exemption from the current budget submittal process for the transportation agencies is eliminated.

The composition of the advisory committee is changed by dropping the Governor, LTC leadership and the directors of the three major transportation agencies and making the committee a staff advisory working committee.

Appropriation: None.

Fiscal Note: Requested on January 23, 1996.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: OFM objected to the composition of the advisory committee and the exemption to the budget instructions.

Testimony Against: None.

Testified: Rep. Robertson, prime sponsor; John Doyle, WSDOT (pro); Bill Ford, WSP (pro); Jerry Long, DOL (pro); John Fricke, OFM (con to original).