

# FINAL BILL REPORT

## SSB 6045

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C 261 L 97  
Synopsis as Enacted

**Brief Description:** Creating the savings incentive account.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators West, Spanel, Strannigan and Oke; by request of Governor Locke).

### Senate Committee on Ways & Means

**Background:** Funds are provided from dedicated accounts for the operations of state agencies on a biennial basis. General fund moneys, however, are appropriated on an annual basis as a result of the annual expenditure limit established under Initiative 601. State fiscal years begin on July 1 of each year and end on June 30. At the end of any fiscal year, any general fund moneys that remain unexpended from each appropriation reverts to the general fund and does not carry over to the following fiscal year. This reversion may act to create an incentive for state agencies to expend all available dollars to prevent the moneys from reverting to the general fund.

**Summary:** The savings incentive account is created to receive a portion of the incentive savings— that remain unexpended by state agencies at the end of each fiscal year. Incentive savings— are defined to include all unspent general fund appropriations except for appropriations for state debt service, higher education enrollments, caseloads in entitlement programs, retirement contributions, and budget provisos where the agency failed to achieve the purpose of the proviso. Moneys in the savings incentive account are credited to the agency that contributed to moneys, and such moneys may be spent by that agency, without a legislative appropriation, for one-time purposes to improve the quality, efficiency, and effectiveness of services to customers of the state (such as employee training and incentives, technology improvements, new work processes, or performance measurements). Moneys in the savings incentive account may not be used for new programs or services or to incur on-going costs requiring future expenditures.

The education savings account is created to receive all general fund reversions that are not deposited in the savings incentive account. This nonappropriated account may be expended by the Board of Education for common school construction projects or K-12 technology improvements.

### Votes on Final Passage:

Senate	47	1
House	97	0

**Effective:** May 6, 1997