

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2394

Chapter 105, Laws of 1998

55th Legislature
1998 Regular Session

DEPARTMENT OF GENERAL ADMINISTRATION--CONSOLIDATION OF OPERATING
FUNDING STRUCTURE

EFFECTIVE DATE: 7/1/99

Passed by the House February 10, 1998
Yeas 96 Nays 0

CLYDE BALLARD
**Speaker of the
House of Representatives**

Passed by the Senate March 6, 1998
Yeas 48 Nays 0

BRAD OWEN
President of the Senate

Approved March 23, 1998

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2394** as passed by the House of Representatives and the Senate on the dates hereon set forth.

TIMOTHY A. MARTIN
Chief Clerk

FILED

March 23, 1998 - 4:19 p.m.

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2394

Passed Legislature - 1998 Regular Session

State of Washington 55th Legislature 1998 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Alexander, D. Schmidt, H. Sommers, Gardner, Doumit, Lambert and Thompson; by request of Department of General Administration)

Read first time 02/03/98. Referred to Committee on .

1 AN ACT Relating to consolidating the operating funding structure of
2 the department of general administration; amending RCW 4.92.220,
3 39.32.035, 39.32.040, 43.01.090, 43.19.1923, 43.19.1925, 43.19.1935,
4 43.19.500, 43.19.558, 43.19.605, 43.19.610, 43.19.615, 43.82.120,
5 43.82.125, and 43.88.350; adding a new section to chapter 43.19 RCW;
6 repealing RCW 39.32.030, 39.32.050, and 43.19.1927; and providing an
7 effective date.

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

9 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.19 RCW
10 to read as follows:

11 The general services administration account is created in the
12 custody of the state treasurer and shall be used for all activities
13 previously budgeted and accounted for in the following internal service
14 funds: The motor transport account, the general administration
15 management fund, the general administration facilities and services
16 revolving fund, the central stores revolving fund, the surplus property
17 purchase revolving fund, and the risk management account. Only the
18 director or the director's designee may authorize expenditures from the
19 account.

1 **Sec. 2.** RCW 4.92.220 and 1995 c 137 s 1 are each amended to read
2 as follows:

3 (1) (~~(A risk management account is hereby created in the treasury)~~)
4 The general administration services account is to be used
5 (~~(exclusively)~~) for the payment of costs related to:

6 (a) The appropriated administration of liability, property, and
7 vehicle claims, including investigation, claim processing, negotiation,
8 and settlement, and other expenses relating to settlements and
9 judgments against the state not otherwise budgeted; and

10 (b) The nonappropriated pass-through cost associated with the
11 purchase of liability and property insurance, including catastrophic
12 insurance, subject to policy conditions and limitations determined by
13 the risk manager.

14 (2) The (~~(risk management)~~) general administration services
15 account's appropriation for risk management shall be financed through
16 a combination of direct appropriations and assessments to state
17 agencies.

18 **Sec. 3.** RCW 39.32.035 and 1995 c 137 s 4 are each amended to read
19 as follows:

20 The (~~(surplus property purchase revolving fund)~~) general
21 administration services account shall be administered by the director
22 of general administration and be used for the purchase, lease or other
23 acquisition from time to time of surplus property from any federal,
24 state, or local government surplus property disposal agency. The
25 director may purchase, lease or acquire such surplus property on the
26 requisition of an eligible donee and without such requisition at such
27 time or times as he or she deems it advantageous to do so; and in
28 either case he or she shall be responsible for the care and custody of
29 the property purchased so long as it remains in his or her possession.

30 **Sec. 4.** RCW 39.32.040 and 1995 c 137 s 5 are each amended to read
31 as follows:

32 In purchasing federal surplus property on requisition for any
33 eligible donee the director may advance the purchase price thereof from
34 the (~~(surplus property purchase revolving fund)~~) general administration
35 services account, and he or she shall then in due course bill the
36 proper eligible donee for the amount paid by him or her for the
37 property plus a reasonable amount to cover the expense incurred by him

1 or her in connection with the transaction. In purchasing surplus
2 property without requisition, the director shall be deemed to take
3 title outright and he or she shall then be authorized to resell from
4 time to time any or all of such property to such eligible donees as
5 desire to avail themselves of the privilege of purchasing. All moneys
6 received in payment for surplus property from eligible donees shall be
7 deposited by the director in the (~~surplus property purchase revolving~~
8 ~~fund~~) general administration services account. The director shall
9 sell federal surplus property to eligible donees at a price sufficient
10 only to reimburse the (~~surplus property purchase revolving fund~~)
11 general administration services account for the cost of the property to
12 the (~~fund~~) account, plus a reasonable amount to cover expenses
13 incurred in connection with the transaction. Where surplus property is
14 transferred to an eligible donee without cost to the transferee, the
15 director may impose a reasonable charge to cover expenses incurred in
16 connection with the transaction. The governor, through the director of
17 general administration, shall administer the surplus property program
18 in the state and shall perform or supervise all those functions with
19 respect to the program, its agencies and instrumentalities.

20 **Sec. 5.** RCW 43.01.090 and 1994 c 219 s 16 are each amended to read
21 as follows:

22 The director of general administration may assess a charge or rent
23 against each state board, commission, agency, office, department,
24 activity, or other occupant or user for payment of a proportionate
25 share of costs for occupancy of buildings, structures, or facilities
26 including but not limited to all costs of acquiring, constructing,
27 operating, and maintaining such buildings, structures, or facilities
28 and the repair, remodeling, or furnishing thereof and for the rendering
29 of any service or the furnishing or providing of any supplies,
30 equipment, or materials.

31 The director of general administration may recover the full costs
32 including appropriate overhead charges of the foregoing by periodic
33 billings as determined by the director including but not limited to
34 transfers upon accounts and advancements into the general
35 administration (~~facilities and~~) services (~~revolving fund~~) account.
36 Charges related to the rendering of real estate services under RCW
37 43.82.010 and to the operation of nonassigned public spaces in Thurston
38 county shall be allocated separately from other charges assessed under

1 this section. Rates shall be established by the director of general
2 administration after consultation with the director of financial
3 management. The director of general administration may allot, provide,
4 or furnish any of such facilities, structures, services, equipment,
5 supplies, or materials to any other public service type occupant or
6 user at such rates or charges as are equitable and reasonably reflect
7 the actual costs of the services provided: PROVIDED, HOWEVER, That the
8 legislature, its duly constituted committees, interim committees and
9 other committees shall be exempted from the provisions of this section.

10 Upon receipt of such bill, each entity, occupant, or user shall
11 cause a warrant or check in the amount thereof to be drawn in favor of
12 the department of general administration which shall be deposited in
13 the state treasury to the credit of the general administration
14 (~~facilities and~~) services (~~revolving fund established in RCW~~
15 ~~43.19.500~~) account unless the director of financial management has
16 authorized another method for payment of costs.

17 Beginning July 1, 1995, the director of general administration
18 shall assess a capital projects surcharge upon each agency or other
19 user occupying a facility owned and managed by the department of
20 general administration in Thurston county. The capital projects
21 surcharge does not apply to agencies or users that agree to pay all
22 future repairs, improvements, and renovations to the buildings they
23 occupy and a proportional share, as determined by the office of
24 financial management, of all other campus repairs, installations,
25 improvements, and renovations that provide a benefit to the buildings
26 they occupy or that have an agreement with the department of general
27 administration that contains a charge for a similar purpose, including
28 but not limited to RCW 43.01.091, in an amount greater than the capital
29 projects surcharge. The director, after consultation with the director
30 of financial management, shall adopt differential capital project
31 surcharge rates to reflect the differences in facility type and
32 quality. The initial payment structure for this surcharge shall be one
33 dollar per square foot per year. The surcharge shall increase over
34 time to an amount that when combined with the facilities and service
35 charge equals the market rate for similar types of lease space in the
36 area or equals five dollars per square foot per year, whichever is
37 less. The capital projects surcharge shall be in addition to other
38 charges assessed under this section. Proceeds from the capital

1 projects surcharge shall be deposited into the Thurston county capital
2 facilities account created in RCW 43.19.501.

3 **Sec. 6.** RCW 43.19.1923 and 1991 sp.s. c 16 s 921 are each amended
4 to read as follows:

5 (~~There is created within the department of general administration~~
6 ~~a revolving fund to be known as the central stores revolving fund,~~
7 ~~which~~) The general administration services account shall be used for
8 the purchase of supplies and equipment handled or rented through
9 central stores, and the payment of salaries, wages, and other costs
10 incidental to the acquisition, operation, and maintenance of the
11 central stores, and other activities connected therewith, which shall
12 include utilities services. Disbursements from the (~~fund~~) account
13 for the purchasing and contract administration activities of the
14 division of purchasing within the department are subject to
15 appropriation and allotment procedures under chapter 43.88 RCW.
16 Disbursements for all other state purchasing activities within the
17 (~~central stores~~) general administration services account are not
18 subject to appropriation. The (~~fund~~) account shall be credited with
19 all receipts from the rental, sale or distribution of supplies,
20 equipment, and services rendered to the various state agencies.
21 Central stores, utilities services, and other activities within the
22 (~~central stores revolving fund~~) general administration services
23 account shall be treated as separate operating entities for financial
24 and accounting control. Financial records involving the (~~central~~
25 ~~stores revolving fund~~) general administration services account shall
26 be designed to provide data for achieving maximum effectiveness and
27 economy of each individual activity within the (~~fund~~) account.

28 **Sec. 7.** RCW 43.19.1925 and 1975 c 40 s 8 are each amended to read
29 as follows:

30 To supply such funds as may be necessary for making combined
31 purchases of items or services of common use by central stores, state
32 agencies shall, upon request of the division of purchasing, from time
33 to time, make advance payments into the (~~central stores revolving~~
34 ~~fund~~) general administration services account from funds regularly
35 appropriated to them for the procurement of supplies, equipment, and
36 services: PROVIDED, That advance payment for services shall be on a
37 quarterly basis: PROVIDED FURTHER, That any person, firm or

1 corporation other than central stores rendering services for which
2 advance payments are made shall deposit cash or furnish surety bond
3 coverage to the state in an amount as shall be fixed by law, or if not
4 fixed by law, then in such amounts as shall be fixed by the director of
5 the department of general administration. Any such bond so furnished
6 shall be conditioned that the person, firm or corporation receiving the
7 advance payment will apply it toward performance of the contract.
8 Funds so advanced to central stores shall be used only for the combined
9 procurement, storage, and delivery of such stocks of supplies,
10 equipment, and services as are requisitioned by the agency and shall be
11 offset and repaid to the respective state agencies by an equivalent
12 value in merchandise supplied and charged out from time to time from
13 central stores. Costs of operation of central stores may be recovered
14 by charging as part of the value of materials, supplies, or services an
15 amount sufficient to cover the costs of operating central stores.

16 **Sec. 8.** RCW 43.19.1935 and 1985 c 188 s 1 are each amended to read
17 as follows:

18 As a means of providing for the procurement of insurance and bonds
19 on a volume rate basis, the director of general administration through
20 the risk management office shall purchase or contract for the needs of
21 state agencies in relation to all such insurance and bonds: PROVIDED,
22 That authority to purchase insurance may be delegated to state
23 agencies. Insurance in force shall be reported to the risk management
24 office periodically under rules established by the director. Nothing
25 contained in this section shall prohibit the use of licensed agents or
26 brokers for the procurement and service of insurance.

27 The amounts of insurance or bond coverage shall be as fixed by law,
28 or if not fixed by law, such amounts shall be as fixed by the director
29 of the department of general administration.

30 The premium cost for insurance acquired and bonds furnished shall
31 be paid from appropriations or other appropriate resources available to
32 the state agency or agencies for which procurement is made, and all
33 vouchers drawn in payment therefor shall bear the written approval of
34 the risk management office prior to the issuance of the warrant in
35 payment therefor. Where deemed advisable the premium cost for
36 insurance and bonds may be paid by the (~~central stores revolving~~
37 ~~fund~~) general administration services account which (~~fund~~) shall be
38 reimbursed by the agency or agencies for which procurement is made.

1 **Sec. 9.** RCW 43.19.500 and 1994 c 219 s 17 are each amended to read
2 as follows:

3 (~~There is hereby created a fund within the state treasury~~
4 ~~designated as the "department of general administration facilities and~~
5 ~~services revolving fund".~~ Such revolving fund)) The general
6 administration services account shall be used by the department of
7 general administration for the payment of certain costs, expenses, and
8 charges, as specified in this section, incurred by it in the operation
9 and administration of the department in the rendering of services, the
10 furnishing or supplying of equipment, supplies and materials, and for
11 providing or allocating facilities, including the operation,
12 maintenance, rehabilitation, or furnishings thereof to other agencies,
13 offices, departments, activities, and other entities enumerated in RCW
14 43.01.090 and including the rendering of services in acquiring real
15 estate under RCW 43.82.010 and the operation and maintenance of
16 nonassigned public spaces in Thurston county. The department shall
17 treat the rendering of services in acquiring real estate and the
18 operation and maintenance of nonassigned public spaces as separate
19 operating entities within the (~~fund~~) account for financial accounting
20 and control.

21 The schedule of services, facilities, equipment, supplies,
22 materials, maintenance, rehabilitation, furnishings, operations, and
23 administration to be so financed and recovered shall be determined
24 jointly by the director of general administration and the director of
25 financial management, in equitable amounts which, together with any
26 other income or appropriation, will provide the department of general
27 administration with funds to meet its anticipated expenditures during
28 any allotment period.

29 The director of general administration may adopt rules governing
30 the provisions of RCW 43.01.090 and this section and the relationships
31 and procedures between the department of general administration and
32 such other entities.

33 **Sec. 10.** RCW 43.19.558 and 1994 sp.s. c 9 s 802 are each amended
34 to read as follows:

35 The (~~motor transport~~) general administration services account
36 shall be used to pay the costs of carrying out the programs provided
37 for in RCW 43.19.550 through 43.19.558, unless otherwise specified by
38 law. The director of general administration may recover the costs of

1 the programs by billing agencies that own and operate passenger motor
2 vehicles on the basis of a per vehicle charge. The director of general
3 administration, after consultation with affected state agencies, shall
4 establish the rates. All rates shall be approved by the director of
5 financial management. The proceeds generated by these charges shall be
6 used solely to carry out RCW 43.19.550 through 43.19.558.

7 **Sec. 11.** RCW 43.19.605 and 1989 c 57 s 6 are each amended to read
8 as follows:

9 No cash reimbursement shall be made to agencies for property
10 transferred under RCW 43.19.600 to the extent that such property was
11 originally acquired without cost or was purchased from general fund
12 appropriations. The value of such property shall be entered upon the
13 accounts of the ((motor transport)) general administration services
14 account as an amount due the agency from which the vehicle was
15 transferred. For such property purchased from dedicated, revolving, or
16 trust funds, the value at the time of transfer shall also be entered
17 upon the accounts of the ((motor transport)) general administration
18 services account as an amount due the agency and fund from which the
19 vehicle transferred was purchased and maintained. If surplus funds
20 associated with motor vehicle transportation services are available in
21 the ((motor transport)) general administration services account, the
22 agency may be paid all or part of the amount due to the dedicated,
23 revolving, or trust fund concerned. Otherwise, the credit for the
24 amount due shall be applied proportionately over the remaining
25 undepreciated life of such property. The prorated credits shall be
26 applied monthly by the director of general administration against any
27 monthly or other charges for motor vehicle transportation services
28 rendered the agency.

29 To the extent surplus funds associated with motor vehicle
30 transportation services are available in the ((motor transport))
31 general administration services account, the director of general
32 administration may direct a cash reimbursement to a dedicated,
33 revolving, or trust fund where an amount due such a fund will not be
34 charged off to services rendered by the department of general
35 administration within a reasonable time.

36 Any disagreement between the supervisor of motor transport and an
37 agency as to the amount of reimbursement to which it may be entitled
38 shall be resolved by the director of general administration.

1 **Sec. 12.** RCW 43.19.610 and 1991 sp.s. c 13 s 35 are each amended
2 to read as follows:

3 (~~There is hereby established in the state treasury an account to~~
4 ~~be known as the motor transport account into which shall be paid~~) All
5 moneys, funds, proceeds, and receipts as provided in RCW 43.19.615 and
6 as may otherwise be provided by law shall be paid into the general
7 administration services account. Disbursements therefrom shall be made
8 in accordance with the provisions of RCW 43.19.560 through 43.19.630,
9 43.41.130 and 43.41.140 as authorized by the director or a duly
10 authorized representative and as may be provided by law.

11 **Sec. 13.** RCW 43.19.615 and 1975 1st ex.s. c 167 s 13 are each
12 amended to read as follows:

13 The director of general administration shall deposit in the (~~motor~~
14 ~~transport~~) general administration services account all receipts,
15 including the initial transfer of automobile pool capital from the
16 highway equipment fund and any other funds transferred, rentals or
17 other fees and charges for transportation services furnished, proceeds
18 from the sale of surplus or replaced property under the control of the
19 supervisor of motor transport and other income, and from which shall be
20 paid operating costs, including salaries and wages, administrative
21 expense, overhead, the cost of replacement vehicles, additional
22 passenger vehicles authorized pursuant to RCW 43.19.565, and any other
23 expenses. If it is necessary at any time for the department to request
24 any appropriation from the general fund or various dedicated,
25 revolving, or trust funds to purchase additional vehicles, any
26 appropriation therefor may provide that such advance shall be repaid
27 together with reasonable interest from surpluses of the (~~motor~~
28 ~~transport~~) general administration services account.

29 **Sec. 14.** RCW 43.82.120 and 1994 c 219 s 14 are each amended to
30 read as follows:

31 All rental income collected by the department of general
32 administration from rental of state buildings shall be deposited in the
33 general administration (~~management fund, the creation of which is~~
34 ~~hereby authorized~~) services account.

35 **Sec. 15.** RCW 43.82.125 and 1965 c 8 s 43.82.125 are each amended
36 to read as follows:

1 The general administration ((~~management fund~~)) services account
2 shall be used to pay all costs incurred by the department in the
3 operation of real estate managed under the terms of this chapter.
4 Moneys received into the general administration ((~~management fund~~))
5 services account shall be used to pay rent to the owner of the space
6 for occupancy of which the charges have been made and to pay utility
7 and operational costs of the space utilized by the occupying agency:
8 PROVIDED, That moneys received into the ((~~fund~~)) account for occupancy
9 of space owned by the state where utilities and other operational costs
10 are covered by appropriation to the department of general
11 administration shall be immediately transmitted to the general fund((~~+~~
12 ~~PROVIDED FURTHER, That the director may expend not to exceed fifty~~
13 ~~thousand dollars per biennium from the general administration~~
14 ~~management fund to cover unusual or unexpected expenses connected with~~
15 ~~space occupancy or management that cannot be charged directly to any~~
16 ~~specific state agency. In the event the director determines that there~~
17 ~~is a surplus in this fund, he shall transfer such surplus to the~~
18 ~~general fund~~)).

19 **Sec. 16.** RCW 43.88.350 and 1981 c 270 s 14 are each amended to
20 read as follows:

21 Any rate increases proposed for or any change in the method of
22 calculating charges from the legal services revolving fund or services
23 provided in accordance with RCW 43.01.090 or 43.19.500 in the general
24 administration ((~~facilities and~~)) services ((~~revolving fund, or any~~
25 change in the method of calculating charges from those funds,)) account
26 is subject to approval by the director of financial management prior to
27 implementation.

28 NEW SECTION. **Sec. 17.** The following acts or parts of acts are
29 each repealed:

- 30 (1) RCW 39.32.030 and 1967 ex.s. c 70 s 3 & 1945 c 205 s 3;
31 (2) RCW 39.32.050 and 1945 c 205 s 6; and
32 (3) RCW 43.19.1927 and 1965 c 8 s 43.19.1927.

33 NEW SECTION. **Sec. 18.** This act takes effect July 1, 1999.

Passed the House February 10, 1998.

Passed the Senate March 6, 1998.

Approved by the Governor March 23, 1998.

Filed in Office of Secretary of State March 23, 1998.