
HOUSE BILL 1794

State of Washington

69th Legislature

2025 Regular Session

By Representatives Dufault and Jacobsen

Read first time 02/03/25. Referred to Committee on Appropriations.

1 AN ACT Relating to eliminating the office of financial management
2 and recovering approximately \$27.8 million of the \$30 million the
3 office of financial management misallocated in the 2023-2025 budget
4 cycle; adding a new section to chapter 43.41 RCW; creating a new
5 section; repealing RCW 43.41.030, 43.41.040, 43.41.050, 43.41.060,
6 43.41.070, 43.41.080, 43.41.100, 43.41.102, 43.41.104, 43.41.106,
7 43.41.110, 43.41.113, 43.41.120, 43.41.160, 43.41.170, 43.41.180,
8 43.41.260, 43.41.270, 43.41.275, 43.41.391, 43.41.392, 43.41.393,
9 43.41.394, 43.41.399, 43.41.400, 43.41.405, 43.41.410, 43.41.415,
10 43.41.420, 43.41.423, 43.41.425, 43.41.430, 43.41.433, 43.41.435,
11 43.41.440, 43.41.450, 43.41.455, 43.41.460, 43.41.470, 43.41.472, and
12 43.41.970; and providing an effective date.

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

14 NEW SECTION. **Sec. 1.** The purpose of this act is to eliminate
15 the office of financial management and partially recover the \$30
16 million that the office of financial management misallocated during
17 the 2023-2025 budget cycle. It is anticipated in making these
18 changes, general fund—state expenditures will be reduced by \$27.8
19 million, with the remaining funds currently authorized for use by the
20 office of financial management being rededicated to the functions

1 that are not eliminated, but passed on to the department of revenue,
2 the state auditor's office, and the state treasurer's office.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.41
4 RCW to read as follows:

5 (1) All powers, duties, and functions of the office of financial
6 management are transferred to the department of revenue, the state
7 auditor's office, and the state treasurer's office as appropriate.
8 These departments and offices shall assume all responsibilities for
9 budget preparation, fiscal analysis, and financial management. All
10 references to the director of the office of financial management or
11 the office of financial management in law shall be construed to mean
12 the director of the department of revenue, state auditor, or state
13 treasurer, or the department of revenue, the state auditor's office,
14 or the state treasurer's office, as appropriate.

15 (2)(a) All reports, documents, surveys, books, records, files,
16 papers, or written material in the possession of the office of
17 financial management pertaining to the powers, functions, and duties
18 transferred shall be delivered to the custody of the department of
19 revenue, the state auditor's office, and the state treasurer's office
20 as appropriate. All cabinets, furniture, office equipment, motor
21 vehicles, and other tangible property employed by the office of
22 financial management in carrying out the powers, functions, and
23 duties transferred shall be made available to the department of
24 revenue, the state auditor's office, and the state treasurer's office
25 as appropriate. All funds, credits, or other assets held by the
26 office of financial management shall be assigned to the department of
27 revenue, the state auditor's office, and the state treasurer's office
28 as appropriate.

29 (b) Any appropriations made to the office of financial management
30 shall, on the effective date of this section, be transferred and
31 credited to the department of revenue, the state auditor's office,
32 and the state treasurer's office as appropriate.

33 (3) All rules and all pending business before the office of
34 financial management shall be continued and acted upon by the
35 department of revenue, the state auditor's office, and the state
36 treasurer's office as appropriate. All existing contracts and
37 obligations shall remain in full force and shall be performed by the
38 department of revenue, the state auditor's office, and the state
39 treasurer's office as appropriate.

1 (4) The transfer of the powers, duties, functions, and personnel
2 of the office of financial management shall not affect the validity
3 of any act performed before the effective date of this section.

4 NEW SECTION. **Sec. 3.** The following acts or parts of acts are
5 each repealed:

6 (1) RCW 43.41.030 (Purpose) and 1979 c 151 s 109 & 1969 ex.s. c
7 239 s 1;

8 (2) RCW 43.41.040 (Definitions) and 1993 c 500 s 4, 1979 c 151 s
9 110, & 1969 ex.s. c 239 s 2;

10 (3) RCW 43.41.050 (Office of financial management created—
11 Transfer of powers, duties, and functions) and 1979 c 151 s 111 &
12 1969 ex.s. c 239 s 3;

13 (4) RCW 43.41.060 (Director—Appointment—Salary—Vacancy—
14 Delegation of powers and duties) and 2009 c 549 s 5118, 1979 c 151 s
15 112, & 1969 ex.s. c 239 s 4;

16 (5) RCW 43.41.070 (Personnel) and 1969 ex.s. c 239 s 5;

17 (6) RCW 43.41.080 (Deputy and assistant directors) and 1979 c 151
18 s 113 & 1969 ex.s. c 239 s 6;

19 (7) RCW 43.41.100 (Director's powers and duties) and 2009 c 549 s
20 5119, 1979 c 151 s 114, & 1969 ex.s. c 239 s 8;

21 (8) RCW 43.41.102 (Director—Contract for collection and
22 tabulation of census block statistics) and 1979 c 151 s 115 & 1977
23 ex.s. c 128 s 5;

24 (9) RCW 43.41.104 (Settlement and payment of accounts—Duty to
25 require) and 1979 c 151 s 116 & 1977 ex.s. c 144 s 10;

26 (10) RCW 43.41.106 (Settlement and payment of accounts—Authority
27 to require testimony and evidence) and 2009 c 549 s 5120, 1979 c 151
28 s 117, & 1977 ex.s. c 144 s 11;

29 (11) RCW 43.41.110 (Powers and duties of office of financial
30 management) and 2011 1st sp.s. c 43 s 510, 2002 c 332 s 23, 1981 2nd
31 ex.s. c 4 s 13, & 1979 c 10 s 3;

32 (12) RCW 43.41.113 (Personnel policy and application of civil
33 service laws) and 2015 3rd sp.s. c 1 s 321 & 2011 1st sp.s. c 43 s
34 430;

35 (13) RCW 43.41.120 (Advisory or coordinating councils) and
36 1975-'76 2nd ex.s. c 34 s 114 & 1969 ex.s. c 239 s 12;

37 (14) RCW 43.41.160 (State health care cost containment policies)
38 and 2011 1st sp.s. c 15 s 70 & 1986 c 303 s 11;

1 (15) RCW 43.41.170 (Budgeting process—Agencies implementing
2 energy conservation to retain cost savings) and 1989 c 11 s 15 & 1986
3 c 325 s 3;

4 (16) RCW 43.41.180 (Electronic funds and information transfer—
5 State agency use) and 1993 c 500 s 2;

6 (17) RCW 43.41.260 (Monitoring enrollee level in basic health
7 plan and medicaid caseload of children—Funding levels adjustment) and
8 2011 1st sp.s. c 15 s 71, 2009 c 479 s 28, & 1995 c 265 s 21;

9 (18) RCW 43.41.270 (Natural resource-related and environmentally
10 based grant and loan programs—Administration and monitoring
11 assistance) and 2020 c 20 s 1050 & 2009 c 345 s 12;

12 (19) RCW 43.41.275 (State agency employment—Disability employment
13 —Reporting requirements) and 2023 c 148 s 4 & 2015 c 204 s 3;

14 (20) RCW 43.41.391 (K-20 network—Duty to govern and oversee
15 technical design, implementation, and operation) and 2024 c 54 s 41,
16 2015 3rd sp.s. c 1 s 214, & 2011 1st sp.s. c 43 s 718;

17 (21) RCW 43.41.392 (K-20 operations cooperative—Maintained by
18 office) and 2011 1st sp.s. c 43 s 719;

19 (22) RCW 43.41.393 (Technical plan of the K-20 telecommunications
20 system and ongoing system enhancements—Contents) and 2017 c 52 s 14,
21 2015 3rd sp.s. c 1 s 215, & 2011 1st sp.s. c 43 s 720;

22 (23) RCW 43.41.394 (Oversight of technical aspects of K-20
23 network) and 2012 c 229 s 586 & 2011 1st sp.s. c 43 s 721;

24 (24) RCW 43.41.399 (Education technology revolving fund) and 2015
25 3rd sp.s. c 1 s 216, 2011 1st sp.s. c 43 s 722, 2004 c 276 s 910,
26 1999 c 285 s 10, & 1997 c 180 s 1;

27 (25) RCW 43.41.400 (Education data center) and 2021 c 164 s 15,
28 2017 3rd sp.s. c 6 s 223, 2016 c 72 s 108, 2012 c 229 s 585, 2009 c
29 548 s 201, & 2007 c 401 s 3;

30 (26) RCW 43.41.405 (K-12 data—Securing federal funds) and 2009 c
31 548 s 204;

32 (27) RCW 43.41.410 (State support for students at institutions of
33 higher education—Information) and 2012 c 229 s 301;

34 (28) RCW 43.41.415 (Development of methods and protocols for
35 measuring educational costs—Reports) and 2012 c 229 s 303, 2011 1st
36 sp.s. c 11 s 105, 2004 c 275 s 15, 1995 1st sp.s. c 9 s 7, 1992 c 231
37 s 5, & 1989 c 245 s 3;

38 (29) RCW 43.41.420 (Undergraduate and graduate educational costs—
39 Reports to regents and trustees) and 2012 c 229 s 304;

- 1 (30) RCW 43.41.423 (Extended student financial aid—Reports on
2 impact) and 2024 c 323 s 6;
- 3 (31) RCW 43.41.425 (Program to certify employment for public
4 service loan forgiveness—Awareness materials—Statewide initiative)
5 and 2024 c 2 s 3, 2023 c 470 s 3016, & 2022 c 248 s 3;
- 6 (32) RCW 43.41.430 (Information technology investment pool—
7 Information technology projects—Reports) and 2024 c 54 s 52 & 2013
8 2nd sp.s. c 33 s 5;
- 9 (33) RCW 43.41.433 (Information technology investment revolving
10 account) and 2018 c 299 s 901 & 2017 3rd sp.s. c 1 s 950;
- 11 (34) RCW 43.41.435 (Enumeration data used for population
12 estimates—Destruction) and 2014 c 14 s 2;
- 13 (35) RCW 43.41.440 (Statewide information technology system
14 development revolving account—Contracts for enterprise information
15 technology systems—"Enterprise information technology system"
16 defined) and 2024 c 54 s 42 & 2015 3rd sp.s. c 1 s 502;
- 17 (36) RCW 43.41.450 (Office of financial management central
18 service account) and 2023 c 435 s 1, 2022 c 297 s 953, 2017 3rd sp.s.
19 c 1 s 968, & 2016 sp.s. c 36 s 927;
- 20 (37) RCW 43.41.455 (State agency office relocation pool account)
21 and 2017 3rd sp.s. c 1 s 949;
- 22 (38) RCW 43.41.460 (Military recruitment program for veterans—
23 Development—Report) and 2017 c 192 s 4;
- 24 (39) RCW 43.41.470 (Washington climate corps network) and 2023 c
25 231 s 2;
- 26 (40) RCW 43.41.472 (Washington climate corps network—Powers and
27 duties) and 2023 c 231 s 3; and
- 28 (41) RCW 43.41.970 (Federal requirements for receipt of federal
29 funds) and 1969 ex.s. c 239 s 20.

30 NEW SECTION. **Sec. 4.** This act takes effect July 1, 2026.

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