

---

HOUSE BILL 1399

---

State of Washington

54th Legislature

1995 Regular Session

By Representatives Silver, Johnson, D. Schmidt, Carrell, Thompson, Goldsmith, McMahan, Robertson, Hargrove, Hymes, Clements, Pennington, Crouse, Lambert, Elliot, Hankins, Hickel, Honeyford, Smith, Delvin, Foreman, Lisk, Schoesler, Mielke, Sheahan, Van Luven, Sheldon, Chandler, Casada, Mulliken, B. Thomas, Backlund, Talcott, Dyer, Cooke, L. Thomas, Mitchell, Huff, Boldt and McMorris

Read first time 01/24/95. Referred to Committee on Appropriations.

1 AN ACT Relating to greater fiscal responsibility and accountability  
2 during the budget adoption process by providing for a modified zero-  
3 base budget review; adding new sections to chapter 43.88 RCW; and  
4 declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** (1) The first year of every biennium, at  
7 least two general areas of responsibility in the operating budget must  
8 be subject to a modified zero-base budget review, known as the review.  
9 The review will analyze the success or failure of the programs and the  
10 associated costs based on the legislative intent and the efficiency of  
11 the program. The review of the program will be done without reference  
12 to past incremental funding. The review will only include the state  
13 portion of the general fund. The biennial operating budget as passed  
14 by both bodies of the legislature must reflect the recommendations of  
15 the modified zero-base budget review, including cost-saving measures  
16 and efficiencies identified in the reviews.

17 (2) The zero-base budget review must include estimates on the  
18 program's administrative cost. The estimate should include a break  
19 down of the cost for programs included in the budget base. The

1 proposed enhancements must receive a similar review for anticipated  
2 administrative costs.

3 (3) The review must also include an estimate on the amount of funds  
4 or benefits that actually reach the intended recipients.

5 (4) A cost benefit analysis may also be performed for programs in  
6 the budget base or part of the essential requirement level. The  
7 enhancements must receive a similar review for anticipated  
8 administrative costs.

9 (5) The review shall include an estimate of the total cost to  
10 operate the program as it relates to funding from the state portion of  
11 the general fund.

12 (6) The review shall include an estimate of the major costs of  
13 operating the program.

14 (7) The final analysis by the senate committee on ways and means  
15 and the house of representatives appropriations committee must  
16 independently determine whether to: (a) Enhance or modify  
17 appropriations; (b) eliminate or consolidate programs; or (c) take  
18 other actions; based upon the criteria in this section.

19 (8) The modified zero-base budget review of each biennium's  
20 operating budget will consist of three biennial budget reviews of  
21 funding from the state portion of the general fund. The first modified  
22 zero-base budget review shall consist of the appropriations for the  
23 department of social and health services and general government. The  
24 general areas of general government include but are not limited to:  
25 The legislature and legislative agencies; the judiciary and judicial  
26 agencies; the office of the governor; the office of financial  
27 management; and the remaining general government. The review shall be  
28 completed no later than September 1, 1996. The second review shall  
29 consist of appropriations for the remaining human services and natural  
30 resources areas. The second modified zero-base budget review shall be  
31 completed no later than September 1, 1998. The third review shall  
32 consist of appropriations for education for public schools, four-year  
33 schools, community and technical colleges, transportation, and special  
34 appropriations. The third review shall be completed by September 1,  
35 2000. When the three modified zero-base budget reviews are completed  
36 by September 1, 2000, the reviews will start over again in the next  
37 biennial budget of 2001-2003 and will continue indefinitely.

38 (9) The modified zero-base budget review shall be completed by both  
39 the house of representatives appropriations committee and the senate

1 committee on ways and means. The committees shall independently  
2 complete their modified zero-base budget review. The house of  
3 representatives appropriations committee review must be completed prior  
4 to the release of the house of representatives operating budget  
5 proposal. The senate committee on ways and means review must be  
6 completed prior to the release of the senate committee on ways and  
7 means operating budget proposal. The final general fund state  
8 operating budget passed by both bodies of the legislature must be based  
9 in part on the recommendations of the house of representatives and  
10 senate modified zero-base budget reviews. Programs which are no longer  
11 needed or are unable to satisfactorily complete the intended goal of  
12 the program will no longer be funded.

13 NEW SECTION. **Sec. 2.** (1) The first modified zero-base budget  
14 review shall include the department of social and health services and  
15 the general areas of general government including but not limited to:  
16 The legislature and legislative agencies; and the judiciary and  
17 judicial agencies.

18 (2) General government includes but is not limited to all the  
19 general fund--state appropriations for the office of the governor,  
20 office of the lieutenant governor, public disclosure commission,  
21 secretary of state, commission on Asian-American affairs, state  
22 treasurer, state auditor, attorney general, office of financial  
23 management, committee for deferred compensation, commission on Hispanic  
24 affairs, department of retirement systems, department of revenue, board  
25 of tax appeals, municipal research council, office of minority and  
26 women's business enterprises, department of general administration,  
27 board of accountancy, liquor control board, military department, public  
28 employment relations commission, and any other programs, boards, or  
29 commissions related to general government.

30 NEW SECTION. **Sec. 3.** (1) The second modified zero-base budget  
31 review shall include the remaining areas of human services excluding  
32 the department of social and health services, natural resources, and  
33 the transportation area.

34 (2) Human services includes but is not limited to all the general  
35 fund--state appropriations for the health care authority, department of  
36 health, department of community, trade, and economic development, human  
37 rights commission, department of labor and industries, indeterminate

1 sentence review board, department of veterans affairs, department of  
2 corrections, department of services for the blind, sentencing  
3 guidelines commission, employment security department, and any other  
4 programs related to human services.

5 (3) Natural resources includes but is not limited to all the  
6 general fund--state appropriations for the state energy office,  
7 Columbia river gorge commission, department of ecology, parks and  
8 recreation commission, interagency committee for outdoor recreation,  
9 environmental hearings office, conservation commission, Puget Sound  
10 water quality authority, department of fish and wildlife, department of  
11 natural resources, department of agriculture, and any program related  
12 to natural resources.

13 (4) The transportation area includes but is not limited to all the  
14 general fund--state appropriations for the department of licensing,  
15 Washington state patrol, and other transportation agencies.

16 NEW SECTION. **Sec. 4.** (1) The third modified zero-base budget  
17 review shall include the general area of education funds for public  
18 schools, community and technical colleges, four-year schools, the  
19 higher education coordinating board, funding relating to higher  
20 education, and special appropriations.

21 (2) Public schools include but are not limited to: Funding for  
22 public schools, funding related to kindergarten through twelfth grade.  
23 The biennial modified zero-base budget review shall exclude  
24 appropriations for basic education.

25 (3) Higher education shall include all funding for four-year  
26 schools, community and technical colleges, and the remaining funding  
27 for education.

28 (4) Special appropriations includes but is not limited to all the  
29 general fund--state appropriations for the governor, belated claims,  
30 sundry claims, retirement contributions, state revenue for  
31 distribution, and any other programs related to special appropriations.

32 NEW SECTION. **Sec. 5.** (1) To plan for the zero-base budget review,  
33 the senate ways and means' staff and the house of representatives  
34 appropriations' staff will coordinate with the office of financial  
35 management and the executive agencies to establish the method and  
36 format for reporting information to the legislature.

1       (2) The senate ways and means' staff and the house of  
2 representatives appropriations' staff will decide what is required from  
3 each agency to perform the zero-base budget review within the period  
4 specified within this chapter. The required information from the  
5 executive agencies will include financial, accounting, and other  
6 program-related data.

7       (3) The office of financial management will act as an advisor to  
8 the senate ways and means' staff and the house of representatives  
9 appropriations' staff in the planning and coordination with the  
10 executive agencies.

11       (4) Planning meetings for the requirements from the executive  
12 agencies must start no later than June 1, 1995. The senate ways and  
13 means' staff and the house of representatives appropriations' staff  
14 must decide on the final format of the required information to perform  
15 the zero-base budget review for agencies that receive appropriations  
16 for social and health services and general government by August 1,  
17 1995. The final format for performing the zero-base budget shall be  
18 adopted in the Washington Administrative Code.

19       (5) The executive agencies that receive general fund appropriations  
20 for social and health services and general government must complete the  
21 requested information for the zero-base budget review and must provide  
22 it to the senate committee on ways and means and the house of  
23 representatives appropriations committee, no later than December 15,  
24 1995. Every six years after completion of the first review of December  
25 15, 1995, the new review must be completed.

26       (6) The senate ways and means' staff and the house of  
27 representatives appropriations' staff must decide on the final format  
28 of the required information to perform the zero-base budget review for  
29 agencies that receive appropriations for other human services, natural  
30 resources, and transportation by July 1, 1997. The final format for  
31 performing the zero-base budget shall be adopted in the Washington  
32 Administrative Code.

33       (7) The agencies that receive general fund appropriations for other  
34 human services, natural resources, and transportation must complete the  
35 requested information for the zero-base budget review, and must provide  
36 it to the senate committee on ways and means and the house of  
37 representatives appropriations committee, no later than December 15,  
38 1997. Every six years after completion of the first review of December  
39 15, 1997, the new review must be completed.

1 (8) The senate ways and means' staff and the house of  
2 representatives appropriations' staff must decide on the final format  
3 of the required information to perform the zero-base budget review for  
4 agencies that receive appropriations for public schools, community and  
5 technical colleges, colleges, universities, the higher education  
6 coordinating board, and special appropriations by July 1, 1999. The  
7 final format for performing the zero-base budget shall be adopted in  
8 the Washington Administrative Code.

9 (9) The executive agencies that receive general fund appropriations  
10 for public schools, community and technical colleges, colleges,  
11 universities, the higher education coordinating board, and special  
12 appropriations must complete the requested information for the zero-  
13 base budget review, and must provide it to the senate committee on ways  
14 and means and the house of representatives appropriations committee, no  
15 later than December 15, 1999. Every six years after completion of the  
16 first review of December 15, 1999, the new review must be completed.

17 NEW SECTION. **Sec. 6.** This act is necessary for the immediate  
18 preservation of the public peace, health, or safety, or support of the  
19 state government and its existing public institutions, and shall take  
20 effect immediately.

21 NEW SECTION. **Sec. 7.** Sections 1 through 5 of this act are each  
22 added to chapter 43.88 RCW.

--- END ---