
HOUSE BILL 1457

State of Washington

58th Legislature

2003 Regular Session

By Representatives Alexander, Holmquist, Miloscia, DeBolt, Anderson, Rockefeller, Armstrong, Ahern, Carrell, Pearson, Schoesler, Cox, Roach, Kristiansen, Condotta, Hinkle, Schindler, Newhouse, Chandler, Boldt, Benson, Bush, Nixon, Woods, McMahan and Campbell

Read first time 01/27/2003. Referred to Committee on Appropriations.

1 AN ACT Relating to greater fiscal responsibility in state budgeting
2 through zero-based budget reviews; adding a new chapter to Title 44
3 RCW; providing an effective date; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
6 provide improved means of review by which to evaluate the budget
7 requests of state agencies. The legislature establishes the zero-base
8 and modified zero-base budget review process to help the legislature
9 establish priorities in the expenditure of public resources for state
10 programs and services.

11 NEW SECTION. **Sec. 2.** The definitions in this section apply
12 throughout this chapter unless the context clearly requires otherwise.

13 (1) "Review" means a modified zero-base budget review or a zero-
14 based budget review, as appropriate.

15 (2) "Committees" means the appropriations committee of the house of
16 representatives and the ways and means committee of the senate and the
17 committees' respective staffs.

1 (3) "Modified zero-base budget review" means a written document
2 prepared by the staff to the committees that contains an analysis of
3 the budget and the programmatic and fiscal basis of the agency on which
4 the review is conducted. A modified zero-base budget review may
5 consider the agency's past and current incremental funding.

6 (4) "Zero-base budget review" means a written document prepared by
7 the committees that contains an analysis of the budget and the
8 programmatic and fiscal basis of the agency on which the review is
9 conducted. A zero-base budget review shall undertake this analysis
10 without regard to the agency's past and current incremental funding.

11 (5) "Program" means a group of agency services designed to
12 accomplish specific public goals and result in specific public
13 benefits.

14 (6) "Level of service" means the relationship between the resources
15 budgeted and the actual service activity delivered by the authorized
16 service provider or agency. This relationship is measured in terms
17 such as, but not limited to, response time, system capacity,
18 application or permit processing time, per staff workload, and
19 statutory service requirements.

20 NEW SECTION. **Sec. 3.** (1) In the omnibus operating budget bill or
21 in other legislation, the legislature shall identify agencies on which
22 a zero-base budget review or a modified zero-base budget review shall
23 be conducted during each fiscal year of the biennium. When specifying
24 agencies on which the review will be conducted, the legislature shall
25 seek to complement and avoid duplication of the activities or the
26 proposed activities of the joint legislative audit and review committee
27 under chapter 44.28 RCW.

28 (2) The committees shall jointly conduct the reviews of state
29 agencies and programs as specified by the legislature under subsection
30 (1) of this section.

31 (3) The reviews shall be provided to the committees either by
32 September 1st following the fiscal year in which the review takes
33 place, or as specified in the omnibus operating budget bill or in other
34 legislation.

35 (4) The house of representatives and the senate may contract with
36 public and private independent professional and technical experts as
37 necessary to complete the review.

1 (5) Each agency receiving appropriations in the omnibus operating
2 budget bill shall be reviewed at least once during the six-year period
3 beginning on July 1, 2003, and at least once every six years
4 thereafter.

5 (6) When conducting the review, the committees shall consult with
6 the joint legislative audit and review committee. The review is
7 intended to complement, and not to duplicate, performance audits and
8 performance reviews conducted by the joint legislative audit and review
9 committee under chapter 44.28 RCW.

10 (7) To facilitate the review, the director of financial management
11 shall cooperate with the committees to establish the method and format
12 for the reporting of agency information. The director of financial
13 management and all agencies shall comply in a timely manner with
14 requests by the committees for information related to the review.

15 NEW SECTION. **Sec. 4.** A modified zero-base budget review shall
16 include, but is not limited to, the following:

17 (1) A statement of the statutory basis and the history of each
18 program within the agency that is being reviewed, including the extent
19 to which the program or expenditures are required by state, federal, or
20 local law;

21 (2) A description, with supporting cost and full-time equivalent
22 staff data, of the activities performed in each program, the specific
23 services provided, and the populations served by those services;

24 (3) An analysis of the major costs and benefits of operating each
25 program within the designated agency including subprograms within the
26 programs where applicable, and the rationale for specific expenditure
27 and staffing levels;

28 (4) An analysis estimating each program's administrative and other
29 overhead costs;

30 (5) An analysis of levels of service provided; and

31 (6) Where applicable, an analysis estimating the amount of funds or
32 benefits that actually reach the intended recipients.

33 NEW SECTION. **Sec. 5.** A zero-base budget review shall include, but
34 is not limited to, each of the components of the modified zero-base
35 budget review in section 4 of this act in addition to the following:

- 1 (1) An analysis of the quantified objectives of each program within
2 the agency;
- 3 (2) An analysis of the activities that are intended to accomplish
4 these objectives;
- 5 (3) Indicators of quantified measures of effectiveness and
6 efficiency of achievement of these objectives;
- 7 (4) The level of funding and full-time equivalent staff required to
8 accomplish each activity, without regard to past incremental levels of
9 funding; and
- 10 (5) If the legislation requiring the review specifies alternate
11 levels of funding for the agency, an analysis of the agency budget at
12 the different level of funding.

13 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act constitute
14 a new chapter in Title 44 RCW.

15 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
16 preservation of the public peace, health, or safety, or support of the
17 state government and its existing public institutions, and takes effect
18 July 1, 2003.

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