

HOUSE BILL REPORT

EHB 1927

As Reported by House Committee On:
State Government, Elections & Information Technology

Title: An act relating to government efficiency by eliminating, revising or decodifying obsolete or inactive statutory provisions that concern the office of financial management.

Brief Description: Concerning government efficiency by eliminating, revising or decodifying obsolete or inactive statutory provisions that concern the office of financial management.

Sponsors: Representative Hudgins; by request of Office of Financial Management.

Brief History:

Committee Activity:

State Government, Elections & Information Technology: 2/14/17, 2/15/17 [DP], 1/10/18, 1/23/18 [DPS].

Brief Summary of Substitute Bill

- Removes from statute various obsolete or otherwise inactive statutory provisions related to the Office of Financial Management's oversight authority.

HOUSE COMMITTEE ON STATE GOVERNMENT, ELECTIONS & INFORMATION TECHNOLOGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Hudgins, Chair; Dolan, Vice Chair; McDonald, Ranking Minority Member; Kraft, Assistant Ranking Minority Member; Appleton, Gregerson, Irwin, Johnson and Pellicciotti.

Staff: Sean Flynn (786-7124).

Background:

The Office of Financial Management (OFM) was created in 1979, as a division of the Office of the Governor, to integrate the planning and fiscal activities of state government. The OFM

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assumed the functions of prior offices related to central budgeting, state planning, and population and research management.

Throughout its existence, the Legislature has assigned the OFM various statutory functions regarding oversight of agency budgeting and fiscal planning. Certain statutory responsibilities have become obsolete or are no longer actively managed by the OFM. For example:

- the OFM must approve any exceptions to the state travel expense limits for executive branch agencies;
- the State Treasurer's decision to delegate cash management responsibilities to agencies is subject to OFM concurrence;
- the OFM is directed to adopt policies for how the Department of Financial Institutions may provide the extension of state credit to borrow funds from the financial market;
- the Office of the Governor, through the OFM, is directed to approve medical expense claims by military members injured in state service that have been submitted through the Military Department; and
- agencies must report to the OFM on expenses paid regarding court fees and other related costs.

In 1994 the Legislature directed the Office of the Governor to biennially report to the Legislature on recommendations for which state boards and commissions should be terminated or consolidated. In 1997 the Legislature directed the OFM to establish a task force to reduce unintended pregnancies. In 2011 the Legislature directed the OFM to negotiate performance-based plans for each state university, and the four-year college, in determining the increase or decrease of each institution's tuition level.

Summary of Substitute Bill:

Certain provisions of law are removed regarding OFM authority over various fiscal matters regarding specific agencies. The eliminated provisions of responsibility include the following:

- requiring concurrence regarding the State Treasurer's decision to delegate cash management responsibilities to agencies;
- adopting policies for how the Department of Financial Institutions may provide the extension of state credit to borrow funds from the financial market;
- reporting by agencies for expenses paid related to court fees;
- requiring negotiation of performance-based plans for state universities in regards to tuition levels; and
- establishing a workgroup on preventing unintended pregnancies.

In conjunction with making recommendations on the elimination of state boards and commissions, the OFM must produce a list each year of all state boards and commissions whose members are eligible for travel reimbursement by the state.

In addition, the approval of medical claims for military members injured in state service must be approved by the Adjutant General, instead of the OFM. The authority over exceptions to the state travel expense limits for executive branch agencies must be approved by the head of the agency, instead of the OFM.

Substitute Bill Compared to Engrossed Bill:

The substitute bill makes technical changes.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill is a technical cleanup of obsolete and outdated programs and responsibilities. It was also part of an effort to reduce some reporting requirements that generated limited return, but required substantial work in preparation. So, there is some concern in restoring some of those reporting requirements regarding state boards and commissions.

(Opposed) None.

Persons Testifying: Representative Hudgins, prime sponsor; and Nathan Sherrad, Office of Financial Management.

Persons Signed In To Testify But Not Testifying: None.