

# SENATE BILL REPORT

## SB 5311

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As Reported by Senate Committee On:  
State Government, Tribal Relations & Elections, February 15, 2019

**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:** Eliminating, revising, or decodifying obsolete or inactive statutory provisions that concern the office of financial management.

**Sponsors:** Senator Hunt; by request of Office of Financial Management.

**Brief History:**

**Committee Activity:** State Government, Tribal Relations & Elections: 2/01/19, 2/15/19 [DPS, w/oRec].

**Brief Summary of First Substitute Bill**

- Amends or repeals a number of statutes concerning the Office of Financial Management.

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### SENATE COMMITTEE ON STATE GOVERNMENT, TRIBAL RELATIONS & ELECTIONS

**Majority Report:** That Substitute Senate Bill No. 5311 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hunt, Chair; Kuderer, Vice Chair; Hasegawa and Takko.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Zeiger, Ranking Member; Bailey and Hawkins.

**Staff:** Melissa Van Gorkom (786-7491)

**Background:** Attorney Fees and Expenses. In 1995, the Legislature authorized qualified parties who successfully challenge a rule will be awarded fees and expenses not exceeding \$25,000. Awarded fees and expenses are paid from the operating funds appropriated to the agency adopting the invalid rule. Payments were reported to the Office of Financial Management (OFM) and were reported annually to the Legislature. In 2009, the Legislature

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removed the requirement for OFM to report annually to the Legislature on the amount of fees and expenses awarded.

Military Death or Disability Compensation. If any member of the organized militia is injured, incapacitated, or otherwise disabled while in active state service or inactive duty, they shall receive from the state of Washington just and reasonable relief. Just and reasonable relief is determined by a board of three officers with at least one being a medical officer, which shall conform as nearly as possible to the general schedule of payments and awards provided under the workers' compensation law in effect in the state of Washington at the time the disability or death occurred. The findings of the board shall be reviewed by the adjutant general and submitted to the Governor for final approval.

Allowance and Travel Expenses. In 2011, the Legislature restricted allowances and travel for state agencies. Exceptions were granted:

- where critically necessary for the work of an agency;
- for agencies of the executive branch, if approved by OFM;
- for agencies of the judicial branch, if approved by the chief justice of the supreme court; and
- for the House and Senate, if approved by the chief clerk of the House and secretary of the Senate respectively, under the direction of the Senate Committee of Facilities and Operations and the Executive Rules Committee of the House of Representatives.

The OFM authorizes exceptions to restrictions for allowances and travel of executive branch agencies and sets allowances for subsistence, lodging, and travel expenses for persons who are appointed to serve on boards, commissions, or similar groups.

Cash Management. The state treasurer must ensure the effective cash management of public funds and may delegate case management responsibilities to affected agencies with the concurrence of OFM.

Borrowing Money. The director of the Department of Financial Institutions (DFI) and any DFI employees are prohibited from borrowing money from any entity under DFI's direct jurisdiction unless the extension of credit:

- is made on substantially the same terms and following credit underwriting procedures that are not less stringent than those prevailing at the time for comparable transactions by the financial institution with other persons not employed by DFI; and
- does not involve more than the normal risk of repayment or present other unfavorable features.

Repeal. Repealed statutes are invalid going forward and are removed from publication in the RCW and disappear altogether.

**Summary of Bill (First Substitute):** Amends or repeals a number of statutes concerning OFM.

Attorney Fees and Expenses. Agencies are not required to report the amount of fees and expenses awarded to qualified parties who successfully challenge a rule to OFM.

Military Death or Disability Compensation. The Governor is not required to provide final review and approval of a board decision regarding just and reasonable relief provided to a member of the National Guard. Findings of the board are reviewed by the adjutant general.

Allowance and Travel Expenses. OFM is not required to authorize exceptions to restrictions for allowances and travel of executive branch agencies.

Cash Management. OFM is not required to concur with the delegation of cash management responsibilities to affected agencies.

Borrowing Money. The requirement for OFM to adopt rules, policies, and procedures to interpret the restrictions for DFI employee borrowing of money is removed.

Repeal. A number of statutes are repealed, such as:

- repeal of the requirement for OFM to negotiate an institutional performance plan with four year baccalaureate institutions;
- repeal of the requirement for a state agency to report quarterly to OFM regarding architectural and engineering service contracts and modifications;
- repeal of a statute authorizing OFM to establish a new board or commission;
- repeal of the requirement for the Governor to review boards and commissions listed by OFM;
- repeal of the requirement for OFM to establish an interagency task force on unintended pregnancy; and
- repeal of the requirement for OFM, subject to funding, to report on fiscal impacts to local government arising from selected laws enacted in the preceding five-year period.

**EFFECT OF CHANGES MADE BY STATE GOVERNMENT, TRIBAL RELATIONS & ELECTIONS COMMITTEE (First Substitute):**

- Retains the statute concerning Salaries-Implementation of changes to achieve comparable worth.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: These are housekeeping measures to streamline several approval processes, clean up some obsolete statutes and remove some broken references to statutes that have been amended or repealed. The bill also makes some changes to bring the statute in alignment with current practice.

**Persons Testifying:** PRO: Senator Sam Hunt, Prime Sponsor; Nathan Sherrard, Office of Financial Management.

**Persons Signed In To Testify But Not Testifying:** No one.