

CERTIFICATION OF ENROLLMENT
SUBSTITUTE HOUSE BILL 2140

52nd Legislature
1991 Regular Session

Passed by the House March 19, 1991
Yeas 98 Nays 0

**Speaker of the
House of Representatives**

Passed by the Senate April 11, 1991
Yeas 43 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2140** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

Secretary of State
State of Washington

SUBSTITUTE HOUSE BILL 2140

AS AMENDED BY THE SENATE

Passed Legislature - 1991 Regular Session

State of Washington 52nd Legislature 1991 Regular Session

By House Committee on Transportation (originally sponsored by Representatives Schmidt, R. Fisher, H. Sommers, Holland, Franklin, Wilson and Betrozoff).

Read first time March 11, 1991.

1 AN ACT Relating to budgeting; amending RCW 43.88.030, 43.88.110,
2 43.88.120, 47.05.070, and 43.88.020; reenacting and amending RCW
3 43.88.160; creating a new section; and providing an effective date.

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

5 **Sec. 1.** RCW 43.88.030 and 1990 c 115 s 1 are each amended to read
6 as follows:

7 (1) The director of financial management shall provide all agencies
8 with a complete set of instructions for submitting biennial budget
9 requests to the director at least three months before agency budget
10 documents are due into the office of financial management. The
11 director shall provide agencies that are required under RCW 44.40.070
12 to develop comprehensive six-year program and financial plans with a
13 complete set of instructions for submitting these program and financial
14 plans at the same time that instructions for submitting other budget
15 requests are provided. The budget document or documents shall consist

1 of the governor's budget message which shall be explanatory of the
2 budget and shall contain an outline of the proposed financial policies
3 of the state for the ensuing fiscal period, as well as an outline of
4 the proposed six-year financial policies where applicable, and shall
5 describe in connection therewith the important features of the budget.
6 The message shall set forth the reasons for salient changes from the
7 previous fiscal period in expenditure and revenue items and shall
8 explain any major changes in financial policy. Attached to the budget
9 message shall be such supporting schedules, exhibits and other
10 explanatory material in respect to both current operations and capital
11 improvements as the governor shall deem to be useful to the
12 legislature. The budget document or documents shall set forth a
13 proposal for expenditures in the ensuing fiscal period, or six-year
14 period where applicable, based upon the estimated revenues as approved
15 by the economic and revenue forecast council or upon the estimated
16 revenues of the office of financial management for those funds,
17 accounts, and sources for which the office of the economic and revenue
18 forecast council does not prepare an official forecast, including those
19 revenues anticipated to support the six-year programs and financial
20 plans under RCW 44.40.070. In estimating revenues to support financial
21 plans under RCW 44.40.070, the office of financial management shall
22 rely on information and advice from the interagency revenue task force.
23 Revenues shall be estimated for such fiscal period from the source and
24 at the rates existing by law at the time of submission of the budget
25 document, including the supplemental budgets submitted in the even-
26 numbered years of a biennium. However, the estimated revenues for use
27 in the governor's budget document may be adjusted to reflect budgetary
28 revenue transfers and revenue estimates dependent upon budgetary
29 assumptions of enrollments, workloads, and caseloads. All adjustments
30 to the approved estimated revenues must be set forth in the budget

1 document. The governor may additionally submit, as an appendix to each
2 supplemental, biennial, or six-year agency budget or to the budget
3 document or documents, a proposal for expenditures in the ensuing
4 fiscal period from revenue sources derived from proposed changes in
5 existing statutes.

6 Supplemental and biennial documents shall reflect a six-year
7 expenditure plan consistent with estimated revenues from existing
8 sources and at existing rates for those agencies required to submit
9 six-year program and financial plans under RCW 44.40.070. Any
10 additional revenue resulting from proposed changes to existing statutes
11 shall be separately identified within the document as well as related
12 expenditures for the six-year period.

13 The budget document or documents shall also contain:

14 (a) Revenues classified by fund and source for the immediately past
15 fiscal period, those received or anticipated for the current fiscal
16 period, ~~((and))~~ those anticipated for the ensuing biennium, and those
17 anticipated for the ensuing six-year period to support the six-year
18 programs and financial plans required under RCW 44.40.070;

19 (b) The undesignated fund balance or deficit, by fund;

20 (c) Such additional information dealing with expenditures,
21 revenues, workload, performance, and personnel as the legislature may
22 direct by law or concurrent resolution;

23 (d) Such additional information dealing with revenues and
24 expenditures as the governor shall deem pertinent and useful to the
25 legislature;

26 (e) Tabulations showing expenditures classified by fund, function,
27 activity and object;

28 (f) A delineation of each agency's activities, including those
29 activities funded from nonbudgeted, nonappropriated sources, including
30 funds maintained outside the state treasury; and

1 (g) Identification of all proposed direct expenditures to implement
2 the Puget Sound water quality plan under chapter 90.70 RCW, shown by
3 agency and in total.

4 (2) The budget document or documents shall include detailed
5 estimates of all anticipated revenues applicable to proposed operating
6 or capital expenditures and shall also include all proposed operating
7 or capital expenditures. The total of beginning undesignated fund
8 balance and estimated revenues less working capital and other reserves
9 shall equal or exceed the total of proposed applicable expenditures.
10 The budget document or documents shall further include:

11 (a) Interest, amortization and redemption charges on the state
12 debt;

13 (b) Payments of all reliefs, judgments and claims;

14 (c) Other statutory expenditures;

15 (d) Expenditures incident to the operation for each agency;

16 (e) Revenues derived from agency operations;

17 (f) Expenditures and revenues shall be given in comparative form
18 showing those incurred or received for the immediately past fiscal
19 period and those anticipated for the current biennium and next ensuing
20 biennium, as well as those required to support the six-year programs
21 and financial plans required under RCW 44.40.070;

22 (g) A showing and explanation of amounts of general fund and other
23 funds obligations for debt service and any transfers of moneys that
24 otherwise would have been available for ~~((general—fund))~~
25 appropriation(~~(s)~~);

26 (h) Common school expenditures on a fiscal-year basis;

27 (i) A showing, by agency, of the value and purpose of financing
28 contracts for the lease/purchase or acquisition of personal or real
29 property for the current and ensuing fiscal periods.

1 (3) A separate capital budget document or schedule ((may)) shall be
2 submitted ((consisting of)) that will contain the following:

3 (a) ~~((Expenditures incident to current or pending capital projects
4 and to proposed new capital projects, relating the respective amounts
5 proposed to be raised therefor by appropriations in the budget and the
6 respective amounts proposed to be raised therefor by the issuance of
7 bonds during))~~ A capital plan consisting of proposed capital spending
8 for at least four fiscal periods succeeding the next fiscal period;

9 (b) A capital program consisting of proposed capital projects for
10 at least the two fiscal periods succeeding the next fiscal period(~~(-~~
11 ~~The capital program shall include for each proposed project a statement
12 of the reason or purpose for the project along with an estimate of its
13 cost))~~);

14 (c) ~~((Such other information bearing upon capital projects as the
15 governor shall deem to be useful to the legislature;~~

16 ~~(d) Such other information relating to capital improvement projects
17 as the legislature may direct by law or concurrent resolution))~~ A
18 statement of the reason or purpose for a project;

19 (d) Verification that a project is consistent with the provisions
20 set forth in chapter 36.70A RCW;

21 (e) A statement about the proposed site, size, and estimated life
22 of the project, if applicable;

23 (f) Estimated total project cost;

24 (g) Estimated total project cost for each phase of the project as
25 defined by the office of financial management;

26 (h) Estimated ensuing biennium costs;

27 (i) Estimated costs beyond the ensuing biennium;

28 (j) Estimated construction start and completion dates;

29 (k) Source and type of funds proposed;

1 (l) Such other information bearing upon capital projects as the
2 governor deems to be useful;

3 (m) Standard terms, including a standard and uniform definition of
4 maintenance for all capital projects;

5 (n) Such other information as the legislature may direct by law or
6 concurrent resolution.

7 For purposes of this subsection (3), the term "capital project"
8 shall be defined subsequent to the analysis, findings, and
9 recommendations of a joint committee comprised of representatives from
10 the house capital appropriations committee, senate ways and means
11 committee, legislative transportation committee, legislative evaluation
12 and accountability program committee, and office of financial
13 management.

14 (4) No change affecting the comparability of agency or program
15 information relating to expenditures, revenues, workload, performance
16 and personnel shall be made in the format of any budget document or
17 report presented to the legislature under this section or RCW
18 43.88.160(1) relative to the format of the budget document or report
19 which was presented to the previous regular session of the legislature
20 during an odd-numbered year without prior legislative concurrence.
21 Prior legislative concurrence shall consist of (a) a favorable majority
22 vote on the proposal by the standing committees on ways and means of
23 both houses if the legislature is in session or (b) a favorable
24 majority vote on the proposal by members of the legislative evaluation
25 and accountability program committee if the legislature is not in
26 session.

27 **Sec. 2.** RCW 43.88.110 and 1987 c 502 s 5 are each amended to read
28 as follows:

1 This section sets forth the expenditure programs and the allotment
2 and reserve procedures to be followed by the executive branch for
3 public funds.

4 (1) Allotments of an appropriation for any fiscal period shall
5 conform to the terms, limits, or conditions of the appropriation.

6 ~~((1+))~~ (2) The director of financial management shall provide all
7 agencies with a complete set of operating and capital instructions for
8 preparing a statement of proposed expenditures at least thirty days
9 before the beginning of a fiscal period. The set of instructions need
10 not include specific appropriation amounts for the agency.

11 ~~((2+))~~ (3) Within forty-five days after the beginning of the
12 fiscal period or within forty-five days after the governor signs the
13 omnibus biennial appropriations act, whichever is later, all agencies
14 shall submit to the governor a statement of proposed expenditures at
15 such times and in such form as may be required by the governor.

16 (4) The office of financial management shall develop a method for
17 monitoring capital appropriations and expenditures that will capture at
18 least the following elements:

19 (a) Appropriations made for capital projects including
20 transportation projects;

21 (b) Estimates of total project costs including past, current,
22 ensuing, and future biennial costs;

23 (c) Comparisons of actual costs to estimated costs;

24 (d) Comparisons of estimated construction start and completion
25 dates with actual dates;

26 (e) Documentation of fund shifts between projects.

27 This data may be incorporated into the existing accounting system
28 or into a separate project management system, as deemed appropriate by
29 the office of financial management.

1 (5) If at any time during the fiscal period the governor projects
2 a cash deficit in a particular fund or account as defined by RCW
3 43.88.050, the governor shall make across-the-board reductions in
4 allotments for that particular fund or account so as to prevent a cash
5 deficit, unless the legislature has directed the liquidation of the
6 cash deficit over one or more fiscal periods. Except for the
7 legislative and judicial branches and other agencies headed by elective
8 officials, the governor shall review the statement of proposed
9 operating expenditures for reasonableness and conformance with
10 legislative intent. Once the governor approves the statements of
11 proposed operating expenditures, further revisions shall be made only
12 at the beginning of the second fiscal year and must be initiated by the
13 governor. However, changes in appropriation level authorized by the
14 legislature, changes required by across-the-board reductions mandated
15 by the governor, and changes caused by executive increases to spending
16 authority may require additional revisions. Revisions shall not be
17 made retroactively. Revisions caused by executive increases to
18 spending authority shall not be made after June 30, 1987. However, the
19 governor may assign to a reserve status any portion of an agency
20 appropriation withheld as part of across-the-board reductions made by
21 the governor and any portion of an agency appropriation conditioned on
22 a contingent event by the appropriations act. The governor may remove
23 these amounts from reserve status if the across-the-board reductions
24 are subsequently modified or if the contingent event occurs. The
25 director of financial management shall enter approved statements of
26 proposed expenditures into the state budgeting, accounting, and
27 reporting system within forty-five days after receipt of the proposed
28 statements from the agencies. If an agency or the director of
29 financial management is unable to meet these requirements, the director

1 of financial management shall provide a timely explanation in writing
2 to the legislative fiscal committees.

3 (~~(3)~~) (6) It is expressly provided that all agencies shall be
4 required to maintain accounting records and to report thereon in the
5 manner prescribed in this chapter and under the regulations issued
6 pursuant to this chapter. Within ninety days of the end of the fiscal
7 year, all agencies shall submit to the director of financial management
8 their final adjustments to close their books for the fiscal year.
9 Prior to submitting fiscal data, written or oral, to committees of the
10 legislature, it is the responsibility of the agency submitting the data
11 to reconcile it with the budget and accounting data reported by the
12 agency to the director of financial management.

13 (7) The director of financial management shall monitor agency
14 operating expenditures against the approved statement of proposed
15 expenditures and shall provide the legislature with quarterly
16 explanations of major variances.

17 (~~(4)~~) (8) The director of financial management may exempt certain
18 public funds from the allotment controls established under this chapter
19 if it is not practical or necessary to allot the funds. Allotment
20 control exemptions expire at the end of the fiscal biennium for which
21 they are granted. The director of financial management shall report
22 any exemptions granted under this subsection to the legislative fiscal
23 committees.

24 **Sec. 3.** RCW 43.88.120 and 1987 c 502 s 6 are each amended to read
25 as follows:

26 Each agency engaged in the collection of revenues shall prepare
27 estimated revenues and estimated receipts for the current and ensuing
28 biennium and shall submit the estimates to the director of financial
29 management and the director of revenue at times and in the form

1 specified by the directors, along with any other information which the
2 directors may request. For those agencies required to develop six-year
3 programs and financial plans under RCW 44.40.070, six-year revenue
4 estimates shall be submitted to the director of financial management
5 and the legislative transportation committee unless the responsibility
6 for reporting these revenue estimates is assumed elsewhere.

7 A copy of such revenue estimates shall be simultaneously submitted
8 to the economic and revenue forecast work group when required by the
9 office of the economic and revenue forecast council.

10 **Sec. 4.** RCW 43.88.160 and 1987 c 505 s 36 and 1987 c 436 s 1 are
11 each reenacted and amended to read as follows:

12 This section sets forth the major fiscal duties and
13 responsibilities of officers and agencies of the executive branch. The
14 regulations issued by the governor pursuant to this chapter shall
15 provide for a comprehensive, orderly basis for fiscal management and
16 control, including efficient accounting and reporting therefor, for the
17 executive branch of the state government and may include, in addition,
18 such requirements as will generally promote more efficient public
19 management in the state.

20 (1) Governor; director of financial management. The governor,
21 through the director of financial management, shall devise and
22 supervise a modern and complete accounting system for each agency to
23 the end that all revenues, expenditures, receipts, disbursements,
24 resources, and obligations of the state shall be properly and
25 systematically accounted for. The accounting system shall include the
26 development of accurate, timely records and reports of all financial
27 affairs of the state. The system shall also provide for central
28 accounts in the office of financial management at the level of detail
29 deemed necessary by the director to perform central financial

1 management. The director of financial management shall adopt and
2 periodically update an accounting procedures manual. Any agency
3 maintaining its own accounting and reporting system shall comply with
4 the updated accounting procedures manual and the rules of the director
5 adopted under this chapter. An agency may receive a waiver from
6 complying with this requirement if the waiver is approved by the
7 director. Waivers expire at the end of the fiscal biennium for which
8 they are granted. The director shall forward notice of waivers granted
9 to the appropriate legislative fiscal committees. The director of
10 financial management may require such financial, statistical, and other
11 reports as the director deems necessary from all agencies covering any
12 period.

13 (2) The director of financial management is responsible for
14 quarterly reporting of primary operating budget drivers such as
15 applicable workloads, caseload estimates, and appropriate unit cost
16 data. These reports shall be transmitted to the legislative fiscal
17 committees or by electronic means to the legislative evaluation and
18 accountability program committee. Quarterly reports shall include
19 actual monthly data and the variance between actual and estimated data
20 to date. The reports shall also include estimates of these items for
21 the remainder of the budget period.

22 (3) The director of financial management shall report at least
23 annually to the appropriate legislative committees regarding the status
24 of all appropriated capital projects, including transportation
25 projects, showing significant cost overruns or underruns. If funds are
26 shifted from one project to another, the office of financial management
27 shall also reflect this in the annual variance report. Once a project
28 is complete, the report shall provide a final summary showing estimated
29 start and completion dates of each project phase compared to actual
30 dates, estimated costs of each project phase compared to actual costs,

1 and whether or not there are any outstanding liabilities or unsettled
2 claims at the time of completion.

3 (4) In addition, the director of financial management, as agent of
4 the governor, shall:

5 (a) Make surveys and analyses of agencies with the object of
6 determining better methods and increased effectiveness in the use of
7 manpower and materials; and the director shall authorize expenditures
8 for employee training to the end that the state may benefit from
9 training facilities made available to state employees;

10 (b) Report to the governor with regard to duplication of effort or
11 lack of coordination among agencies;

12 (c) Review any pay and classification plans, and changes
13 thereunder, developed by any agency for their fiscal impact: PROVIDED,
14 That none of the provisions of this subsection shall affect merit
15 systems of personnel management now existing or hereafter established
16 by statute relating to the fixing of qualifications requirements for
17 recruitment, appointment, or promotion of employees of any agency. The
18 director shall advise and confer with agencies including appropriate
19 standing committees of the legislature as may be designated by the
20 speaker of the house and the president of the senate regarding the
21 fiscal impact of such plans and may amend or alter said plans, except
22 that for the following agencies no amendment or alteration of said
23 plans may be made without the approval of the agency concerned:
24 Agencies headed by elective officials;

25 (d) Fix the number and classes of positions or authorized man years
26 of employment for each agency and during the fiscal period amend the
27 determinations previously fixed by the director except that the
28 director shall not be empowered to fix said number or said classes for
29 the following: Agencies headed by elective officials;

1 (e) Provide for transfers and repayments between the budget
2 stabilization account and the general fund as directed by appropriation
3 and RCW 43.88.525 through 43.88.540;

4 (f) Promulgate regulations to effectuate provisions contained in
5 subsections (a) through (e) hereof.

6 (~~(2)~~) (5) The treasurer shall:

7 (a) Receive, keep, and disburse all public funds of the state not
8 expressly required by law to be received, kept, and disbursed by some
9 other persons: PROVIDED, That this subsection shall not apply to those
10 public funds of the institutions of higher learning which are not
11 subject to appropriation;

12 (b) Disburse public funds under the treasurer's supervision or
13 custody by warrant or check;

14 (c) Keep a correct and current account of all moneys received and
15 disbursed by the treasurer, classified by fund or account;

16 (d) Perform such other duties as may be required by law or by
17 regulations issued pursuant to this law.

18 It shall be unlawful for the treasurer to issue any warrant or
19 check for public funds in the treasury except upon forms duly
20 prescribed by the director of financial management. Said forms shall
21 provide for authentication and certification by the agency head or the
22 agency head's designee that the services have been rendered or the
23 materials have been furnished; or, in the case of loans or grants, that
24 the loans or grants are authorized by law; or, in the case of payments
25 for periodic maintenance services to be performed on state owned
26 equipment, that a written contract for such periodic maintenance
27 services is currently in effect and copies thereof are on file with the
28 office of financial management; and the treasurer shall not be liable
29 under the treasurer's surety bond for erroneous or improper payments so
30 made: PROVIDED, That when services are lawfully paid for in advance of

1 full performance by any private individual or business entity other
2 than as provided for by RCW 42.24.035, such individual or entity other
3 than central stores rendering such services shall make a cash deposit
4 or furnish surety bond coverage to the state as shall be fixed in an
5 amount by law, or if not fixed by law, then in such amounts as shall be
6 fixed by the director of the department of general administration but
7 in no case shall such required cash deposit or surety bond be less than
8 an amount which will fully indemnify the state against any and all
9 losses on account of breach of promise to fully perform such services:
10 AND PROVIDED FURTHER, That no payments shall be made in advance for any
11 equipment maintenance services to be performed more than three months
12 after such payment. Any such bond so furnished shall be conditioned
13 that the person, firm or corporation receiving the advance payment will
14 apply it toward performance of the contract. The responsibility for
15 recovery of erroneous or improper payments made under this section
16 shall lie with the agency head or the agency head's designee in
17 accordance with regulations issued pursuant to this chapter. Nothing
18 in this section shall be construed to permit a public body to advance
19 funds to a private service provider pursuant to a grant or loan before
20 services have been rendered or material furnished.

21 ~~((3))~~ (6) The state auditor shall:

22 (a) Report to the legislature the results of current post audits
23 that have been made of the financial transactions of each agency; to
24 this end the auditor may, in the auditor's discretion, examine the
25 books and accounts of any agency, official or employee charged with the
26 receipt, custody or safekeeping of public funds. The current post
27 audit of each agency may include a section on recommendations to the
28 legislature as provided in (c) of this subsection ~~((3)(c) of this~~
29 ~~section))~~.

1 (b) Give information to the legislature, whenever required, upon
2 any subject relating to the financial affairs of the state.

3 (c) Make the auditor's official report on or before the thirty-
4 first of December which precedes the meeting of the legislature. The
5 report shall be for the last complete fiscal period and shall include
6 at least the following:

7 Determinations as to whether agencies, in making expenditures,
8 complied with the laws of this state: PROVIDED, That nothing in this
9 (~~act shall~~) section may be construed to grant the state auditor the
10 right to perform performance audits. A performance audit for the
11 purpose of this (~~act shall be~~) section is the examination of the
12 effectiveness of the administration, its efficiency, and its adequacy
13 in terms of the programs of departments or agencies as previously
14 approved by the legislature. The authority and responsibility to
15 conduct such an examination shall be vested in the legislative budget
16 committee as prescribed in RCW 44.28.085 (~~as now or hereafter~~
17 ~~amended~~)).

18 (d) Be empowered to take exception to specific expenditures that
19 have been incurred by any agency or to take exception to other
20 practices related in any way to the agency's financial transactions and
21 to cause such exceptions to be made a matter of public record,
22 including disclosure to the agency concerned and to the director of
23 financial management. It shall be the duty of the director of
24 financial management to cause corrective action to be taken promptly,
25 such action to include, as appropriate, the withholding of funds as
26 provided in RCW 43.88.110.

27 (e) Promptly report any irregularities to the attorney general.

28 (~~(4)~~) (7) The legislative budget committee may:

29 (a) Make post audits of the financial transactions of any agency
30 and management surveys and program reviews as provided for in RCW

1 44.28.085 (~~as now or hereafter amended~~). To this end the committee
2 may in its discretion examine the books, accounts, and other records of
3 any agency, official, or employee.

4 (b) Give information to the legislature or any legislative
5 committee whenever required upon any subject relating to the
6 performance and management of state agencies.

7 (c) Make a report to the legislature which shall include at least
8 the following:

9 (i) Determinations as to the extent to which agencies in making
10 expenditures have complied with the will of the legislature and in this
11 connection, may take exception to specific expenditures or financial
12 practices of any agencies; and

13 (ii) Such plans as it deems expedient for the support of the
14 state's credit, for lessening expenditures, for promoting frugality and
15 economy in agency affairs and generally for an improved level of fiscal
16 management.

17 **Sec. 5.** RCW 47.05.070 and 1983 1st ex.s. c 53 s 31 are each
18 amended to read as follows:

19 The transportation commission shall approve and present to the
20 governor and to the legislature prior to its convening, a recommended
21 budget for the ensuing (~~biennium~~) fiscal period as well as the
22 comprehensive six-year program and financial plan required under RCW
23 44.40.070, 44.40.080, 47.05.030, and 47.05.040. The (~~biennial~~)
24 budget shall include details of proposed expenditures, and performance
25 and public service criteria for construction, maintenance, and planning
26 activities in consonance with the comprehensive six-year program and
27 financial plan (~~adopted under provisions of RCW 44.40.070 and~~
28 ~~47.05.040~~)).

1 **Sec. 6.** RCW 43.88.020 and 1990 c 229 s 4 are each amended to read
2 as follows:

3 (1) "Budget" (~~shall~~) means a proposed plan of expenditures for a
4 given period or purpose and the proposed means for financing these
5 expenditures.

6 (2) "Budget document" (~~shall~~) means a formal, written statement
7 offered by the governor to the legislature, as provided in RCW
8 43.88.030.

9 (3) "Director of financial management" (~~shall~~) means the official
10 appointed by the governor to serve at the governor's pleasure and to
11 whom the governor may delegate necessary authority to carry out the
12 governor's duties as provided in this chapter. The director of
13 financial management shall be head of the office of financial
14 management which shall be in the office of the governor.

15 (4) "Agency" (~~shall~~) means and includes every state office,
16 officer, each institution, whether educational, correctional or other,
17 and every department, division, board and commission, except as
18 otherwise provided in this chapter.

19 (5) "Public funds", for purposes of this chapter, (~~shall~~) means
20 all moneys, including cash, checks, bills, notes, drafts, stocks, and
21 bonds, whether held in trust, for operating purposes, or for capital
22 purposes, and collected or disbursed under law, whether or not such
23 funds are otherwise subject to legislative appropriation, including
24 funds maintained outside the state treasury.

25 (6) "Regulations" (~~shall~~) means the policies, standards, and
26 requirements, stated in writing, designed to carry out the purposes of
27 this chapter, as issued by the governor or the governor's designated
28 agent, and which shall have the force and effect of law.

29 (7) "Ensuing biennium" (~~shall~~) means the fiscal biennium
30 beginning on July 1st of the same year in which a regular session of

1 the legislature is held during an odd-numbered year pursuant to Article
2 II, section 12 of the Constitution and which biennium next succeeds the
3 current biennium.

4 (8) "Dedicated fund" means a fund in the state treasury, or a
5 separate account or fund in the general fund in the state treasury,
6 that by law is dedicated, appropriated or set aside for a limited
7 object or purpose; but "dedicated fund" (~~shall~~) does not include a
8 revolving fund or a trust fund.

9 (9) "Revolving fund" means a fund in the state treasury,
10 established by law, from which is paid the cost of goods or services
11 furnished to or by a state agency, and which is replenished through
12 charges made for such goods or services or through transfers from other
13 accounts or funds.

14 (10) "Trust fund" means a fund in the state treasury in which
15 designated persons or classes of persons have a vested beneficial
16 interest or equitable ownership, or which was created or established by
17 a gift, grant, contribution, devise, or bequest that limits the use of
18 the fund to designated objects or purposes.

19 (11) "Administrative expenses" means expenditures for: (a)
20 Salaries, wages, and related costs of personnel and (b) operations and
21 maintenance including but not limited to costs of supplies, materials,
22 services, and equipment.

23 (12) "Fiscal year" means the year beginning July 1st and ending the
24 following June 30th.

25 (13) "Lapse" means the termination of authority to expend an
26 appropriation.

27 (14) "Legislative fiscal committees" means the legislative budget
28 committee, the legislative evaluation and accountability program
29 committee, the ways and means committees of the senate and house of

1 representatives, and, where appropriate, the legislative transportation
2 committee.

3 (15) "Fiscal period" means the period for which an appropriation is
4 made as specified within the act making the appropriation.

5 (16) "Primary budget driver" means the primary determinant of a
6 budget level, other than a price variable, which causes or is
7 associated with the major expenditure of an agency or budget unit
8 within an agency, such as a caseload, enrollment, workload, or
9 population statistic.

10 (17) "Stabilization account" means the budget stabilization account
11 created under RCW 43.88.525 as an account in the general fund of the
12 state treasury.

13 (18) "State tax revenue limit" means the limitation created by
14 chapter 43.135 RCW.

15 (19) "General state revenues" means the revenues defined by Article
16 VIII, section 1(c) of the state Constitution.

17 (20) "Annual growth rate in real personal income" means the
18 estimated percentage growth in personal income for the state during the
19 current fiscal year, expressed in constant value dollars, as published
20 by the office of financial management or its successor agency.

21 (21) "Estimated revenues" means estimates of revenue in the most
22 recent official economic and revenue forecast prepared under RCW
23 82.33.020, and prepared by the office of financial management for those
24 funds, accounts, and sources for which the office of the economic and
25 revenue forecast council does not prepare an official forecast
26 including estimates of revenues to support financial plans under RCW
27 44.40.070, that are prepared by the office of financial management in
28 consultation with the interagency task force.

29 (22) "Estimated receipts" means the estimated receipt of cash in
30 the most recent official economic and revenue forecast prepared under

1 RCW 82.33.020, and prepared by the office of financial management for
2 those funds, accounts, and sources for which the office of the economic
3 and revenue forecast council does not prepare an official forecast.

4 (23) "State budgeting, accounting, and reporting system" means a
5 system that gathers, maintains, and communicates fiscal information.
6 The system links fiscal information beginning with development of
7 agency budget requests through adoption of legislative appropriations
8 to tracking actual receipts and expenditures against approved plans.

9 (24) "Allotment of appropriation" means the agency's statement of
10 proposed expenditures, the director of financial management's review of
11 that statement, and the placement of the approved statement into the
12 state budgeting, accounting, and reporting system.

13 (25) "Statement of proposed expenditures" means a plan prepared by
14 each agency that breaks each appropriation out into monthly detail
15 representing the best estimate of how the appropriation will be
16 expended.

17 (26) "Undesignated fund balance (or deficit)" means unreserved and
18 undesignated current assets or other resources available for
19 expenditure over and above any current liabilities which are expected
20 to be incurred by the close of the fiscal period.

21 NEW SECTION. **Sec. 7.** Where there are variances of revenue
22 forecasts between the office of financial management and the
23 interagency revenue task force, for those transportation agencies that
24 are required to develop plans under RCW 44.40.070, the office of
25 financial management shall submit (1) a reconciliation of the
26 differences between the revenue forecasts and (2) the assumptions used
27 by the office of financial management to the legislative transportation
28 committee.

1 NEW SECTION. **Sec. 8.** This act shall take effect April 1,
2 1992.