

2 **E2SHB 2222** - S COMM AMD
3 By Committee on Ways & Means

4

5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 44.28.010 and 1983 c 52 s 1 are each amended to read
8 as follows:

9 (~~There is hereby created a~~) The joint legislative (~~budget~~)
10 audit and review committee is created, which shall consist of eight
11 senators and eight representatives from the legislature. The senate
12 members of the committee shall be appointed by the president of the
13 senate, and the house members of the committee shall be appointed by
14 the speaker of the house. Not more than four members from each house
15 shall be from the same political party. Members shall be appointed
16 before the close of each regular session of the legislature during an
17 odd-numbered year(~~(: PROVIDED, That if prior to)~~). If before the
18 close of a regular session during an odd-numbered year, the governor
19 issues a proclamation convening the legislature into special session,
20 or the legislature by resolution convenes the legislature into special
21 session, following such regular session, then such appointments shall
22 be made as a matter of closing business of such special session.
23 Members shall be subject to confirmation, as to the senate members by
24 the senate, and as to the house members by the house. In the event of
25 a failure to appoint joint committee members, either on the part of the
26 president of the senate or on the part of the speaker of the house, or
27 in the event of a refusal by either the senate or the house to confirm
28 appointments on the committee, then the members of the joint committee
29 from either house in which there is a failure to appoint or confirm
30 shall be elected (~~forthwith~~) by the members of such house.

31 **Sec. 2.** RCW 44.28.020 and 1980 c 87 s 31 are each amended to read
32 as follows:

33 The term of office of the members of the joint committee who
34 continue to be members of the senate and house shall be from the close
35 of the session in which they were appointed or elected as provided in

1 RCW 44.28.010 until the close of the next regular session during an
2 odd-numbered year or special session following such regular session,
3 or, in the event that such appointments or elections are not made,
4 until the close of the next regular session during an odd-numbered year
5 during which successors are appointed or elected. The term of office
6 of ~~((such))~~ joint committee members ~~((as shall))~~ who do not continue to
7 be members of the senate and house ~~((shall))~~ ceases upon the convening
8 of the next regular session of the legislature during an odd-numbered
9 year after their confirmation, election or appointment. Vacancies on
10 the joint committee shall be filled by appointment by the remaining
11 members. All such vacancies shall be filled from the same political
12 party and from the same house as the member whose seat was vacated.

13 **Sec. 3.** RCW 44.28.030 and 1955 c 206 s 6 are each amended to read
14 as follows:

15 On and after the commencement of a succeeding general session of
16 the legislature, those members of the joint committee who continue to
17 be members of the senate and house, respectively, shall continue as
18 members of the joint committee as indicated in RCW 44.28.020 and the
19 joint committee shall continue with all its powers, duties,
20 authorities, records, papers, personnel and staff, and all funds made
21 available for its use.

22 **Sec. 4.** RCW 44.28.040 and 1975-'76 2nd ex.s. c 34 s 134 are each
23 amended to read as follows:

24 The members of the joint committee shall serve without additional
25 compensation, but shall be reimbursed for their travel expenses~~((τ))~~ in
26 accordance with RCW 44.04.120 ~~((as now existing or hereafter amended,
27 incurred while))~~ for attending ~~((sessions))~~ meetings of the joint
28 committee or ~~((meetings of any))~~ a subcommittee of the joint committee,
29 or while engaged on other ~~((committee))~~ business authorized by the
30 joint committee, and while going to and coming from committee sessions
31 or committee meetings.

32 **Sec. 5.** RCW 44.28.080 and 1975 1st ex.s. c 293 s 14 are each
33 amended to read as follows:

34 The joint committee ~~((shall have))~~ has the following powers:

35 (1) To make examinations and reports concerning whether or not
36 appropriations are being expended for the purposes and within the

1 statutory restrictions provided by the legislature; concerning the
2 economic outlook and estimates of revenue to meet expenditures; and
3 concerning the organization and operation of procedures necessary or
4 desirable to promote economy, efficiency, and effectiveness in state
5 government, its officers, boards, committees, commissions,
6 institutions, and other state agencies, and to make recommendations and
7 reports to the legislature.

8 (2) To make such other studies and examinations of economy,
9 efficiency, and effectiveness of state government and its state
10 agencies as it may find advisable, and to hear complaints, hold
11 hearings, gather information, and make findings of fact with respect
12 thereto.

13 (3) (~~The committee shall have the power~~) To receive messages and
14 reports in person or in writing from the governor or any other state
15 officials and to study generally any and all business relating to
16 economy, efficiency, and effectiveness in state government and state
17 agencies.

18 **Sec. 6.** RCW 44.28.180 and 1993 c 406 s 5 are each amended to read
19 as follows:

20 (1) In conducting program evaluations as defined in RCW 43.88.020,
21 the (~~legislative budget~~) joint committee may establish a biennial
22 work plan that identifies state agency programs for which formal
23 evaluation appears necessary. Among the factors to be considered in
24 preparing the work plan are:

25 (a) Whether a program newly created or significantly altered by the
26 legislature warrants continued oversight because (i) the fiscal impact
27 of the program is significant, or (ii) the program represents a
28 relatively high degree of risk in terms of reaching the stated goals
29 and objectives for that program;

30 (b) Whether implementation of an existing program has failed to
31 meet its goals and objectives by any significant degree.

32 (2) The project description for each program evaluation shall
33 include start and completion dates, the proposed research approach, and
34 cost estimates.

35 (3) The overall plan may include proposals to employ contract
36 evaluators. As conditions warrant, the program evaluation work plan
37 may be amended from time to time. All biennial work plans shall be

1 transmitted to the appropriate fiscal and policy committees of the
2 senate and the house of representatives.

3 **Sec. 7.** RCW 44.28.087 and 1973 1st ex.s. c 197 s 2 are each
4 amended to read as follows:

5 All agency reports concerning program performance, including
6 administrative review, quality control, and other internal audit or
7 performance reports, as requested by the (~~legislative budget~~) joint
8 committee, shall be furnished by the agency requested to provide such
9 report.

10 **Sec. 8.** RCW 44.28.100 and 1987 c 505 s 45 are each amended to read
11 as follows:

12 The joint committee (~~shall have the power to~~) may make reports
13 from time to time to the members of the legislature and to the public
14 with respect to any of its findings or recommendations. The joint
15 committee shall keep complete minutes of its meetings.

16 **Sec. 9.** RCW 44.28.120 and 1951 c 43 s 9 are each amended to read
17 as follows:

18 In case of the failure on the part of any person to comply with any
19 subpoena issued in behalf of the joint committee, or on the refusal of
20 any witness to testify to any matters regarding which he or she may be
21 lawfully interrogated, it shall be the duty of the superior court of
22 any county, or of the judge thereof, on application of the joint
23 committee, to compel obedience by proceedings for contempt, as in the
24 case of disobedience of the requirements of a subpoena issued from such
25 court or a refusal to testify therein.

26 **Sec. 10.** RCW 44.28.150 and 1975 1st ex.s. c 293 s 18 are each
27 amended to read as follows:

28 The joint committee shall cooperate, act, and function with
29 legislative committees and with the councils or committees of other
30 states similar to this joint committee and with other interstate
31 research organizations.

32 **Sec. 11.** RCW 43.88.020 and 1995 c 155 s 1 are each amended to read
33 as follows:

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

4 (2) "Budget document" means a formal statement, either written or
5 provided on any electronic media or both, offered by the governor to
6 the legislature, as provided in RCW 43.88.030.

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

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

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

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

27 (7) "Ensuing biennium" means the fiscal biennium beginning on July
28 1st of the same year in which a regular session of the legislature is
29 held during an odd-numbered year pursuant to Article II, section 12 of
30 the Constitution and which biennium next succeeds the current biennium.

31 (8) "Dedicated fund" means a fund in the state treasury, or a
32 separate account or fund in the general fund in the state treasury,
33 that by law is dedicated, appropriated, or set aside for a limited
34 object or purpose; but "dedicated fund" does not include a revolving
35 fund or a trust fund.

36 (9) "Revolving fund" means a fund in the state treasury,
37 established by law, from which is paid the cost of goods or services
38 furnished to or by a state agency, and which is replenished through

1 charges made for such goods or services or through transfers from other
2 accounts or funds.

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

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

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

14 (13) "Lapse" means the termination of authority to expend an
15 appropriation.

16 (14) "Legislative fiscal committees" means the joint legislative
17 (~~(budget)~~) audit and review committee, the legislative evaluation and
18 accountability program committee, the ways and means committees of the
19 senate and house of representatives, and, where appropriate, the
20 legislative transportation committee.

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

23 (16) "Primary budget driver" means the primary determinant of a
24 budget level, other than a price variable, which causes or is
25 associated with the major expenditure of an agency or budget unit
26 within an agency, such as a caseload, enrollment, workload, or
27 population statistic.

28 (17) "Stabilization account" means the budget stabilization account
29 created under RCW 43.88.525 as an account in the general fund of the
30 state treasury.

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

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

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

1 (21) "Estimated revenues" means estimates of revenue in the most
2 recent official economic and revenue forecast prepared under RCW
3 82.33.020, and prepared by the office of financial management for those
4 funds, accounts, and sources for which the office of the economic and
5 revenue forecast council does not prepare an official forecast
6 including estimates of revenues to support financial plans under RCW
7 44.40.070, that are prepared by the office of financial management in
8 consultation with the interagency task force.

9 (22) "Estimated receipts" means the estimated receipt of cash in
10 the most recent official economic and revenue forecast prepared under
11 RCW 82.33.020, and prepared by the office of financial management for
12 those funds, accounts, and sources for which the office of the economic
13 and revenue forecast council does not prepare an official forecast.

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

19 (24) "Allotment of appropriation" means the agency's statement of
20 proposed expenditures, the director of financial management's review of
21 that statement, and the placement of the approved statement into the
22 state budgeting, accounting, and reporting system.

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

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

31 (27) "Internal audit" means an independent appraisal activity
32 within an agency for the review of operations as a service to
33 management, including a systematic examination of accounting and fiscal
34 controls to assure that human and material resources are guarded
35 against waste, loss, or misuse; and that reliable data are gathered,
36 maintained, and fairly disclosed in a written report of the audit
37 findings.

38 (28) "Performance verification" means an analysis that (a) verifies
39 the accuracy of data used by state agencies in quantifying intended

1 results and measuring performance toward those results, and (b)
2 verifies whether or not the reported results were achieved.

3 (29) "Program evaluation" means the use of a variety of policy and
4 fiscal research methods to (a) determine the extent to which a program
5 is achieving its legislative intent in terms of producing the effects
6 expected, and (b) make an objective judgment of the implementation,
7 outcomes, and net cost or benefit impact of programs in the context of
8 their goals and objectives. It includes the application of systematic
9 methods to measure the results, intended or unintended, of program
10 activities.

11 **Sec. 12.** RCW 43.88.160 and 1994 c 184 s 11 are each amended to
12 read as follows:

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

21 (1) Governor; director of financial management. The governor,
22 through the director of financial management, shall devise and
23 supervise a modern and complete accounting system for each agency to
24 the end that all revenues, expenditures, receipts, disbursements,
25 resources, and obligations of the state shall be properly and
26 systematically accounted for. The accounting system shall include the
27 development of accurate, timely records and reports of all financial
28 affairs of the state. The system shall also provide for central
29 accounts in the office of financial management at the level of detail
30 deemed necessary by the director to perform central financial
31 management. The director of financial management shall adopt and
32 periodically update an accounting procedures manual. Any agency
33 maintaining its own accounting and reporting system shall comply with
34 the updated accounting procedures manual and the rules of the director
35 adopted under this chapter. An agency may receive a waiver from
36 complying with this requirement if the waiver is approved by the
37 director. Waivers expire at the end of the fiscal biennium for which
38 they are granted. The director shall forward notice of waivers granted

1 to the appropriate legislative fiscal committees. The director of
2 financial management may require such financial, statistical, and other
3 reports as the director deems necessary from all agencies covering any
4 period.

5 (2) The director of financial management is responsible for
6 quarterly reporting of primary operating budget drivers such as
7 applicable workloads, caseload estimates, and appropriate unit cost
8 data. These reports shall be transmitted to the legislative fiscal
9 committees or by electronic means to the legislative evaluation and
10 accountability program committee. Quarterly reports shall include
11 actual monthly data and the variance between actual and estimated data
12 to date. The reports shall also include estimates of these items for
13 the remainder of the budget period.

14 (3) The director of financial management shall report at least
15 annually to the appropriate legislative committees regarding the status
16 of all appropriated capital projects, including transportation
17 projects, showing significant cost overruns or underruns. If funds are
18 shifted from one project to another, the office of financial management
19 shall also reflect this in the annual variance report. Once a project
20 is complete, the report shall provide a final summary showing estimated
21 start and completion dates of each project phase compared to actual
22 dates, estimated costs of each project phase compared to actual costs,
23 and whether or not there are any outstanding liabilities or unsettled
24 claims at the time of completion.

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

27 (a) Develop and maintain a system of internal controls and internal
28 audits comprising methods and procedures to be adopted by each agency
29 that will safeguard its assets, check the accuracy and reliability of
30 its accounting data, promote operational efficiency, and encourage
31 adherence to prescribed managerial policies for accounting and
32 financial controls. The system developed by the director shall include
33 criteria for determining the scope and comprehensiveness of internal
34 controls required by classes of agencies, depending on the level of
35 resources at risk.

36 Each agency head or authorized designee shall be assigned the
37 responsibility and authority for establishing and maintaining internal
38 audits following the standards of internal auditing of the institute of
39 internal auditors;

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

6 (c) Establish policies for allowing the contracting of child care
7 services;

8 (d) Report to the governor with regard to duplication of effort or
9 lack of coordination among agencies;

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

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

28 (g) Provide for transfers and repayments between the budget
29 stabilization account and the general fund as directed by appropriation
30 and RCW 43.88.525 through 43.88.540;

31 (h) Adopt rules to effectuate provisions contained in (a) through
32 (g) of this subsection.

33 (5) The treasurer shall:

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

1 (b) Receive, disburse, or transfer public funds under the
2 treasurer's supervision or custody;

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

5 (d) Coordinate agencies' acceptance and use of credit cards and
6 other payment methods, if the agencies have received authorization
7 under RCW 43.41.180;

8 (e) Perform such other duties as may be required by law or by
9 regulations issued pursuant to this law.

10 It shall be unlawful for the treasurer to disburse public funds in
11 the treasury except upon forms or by alternative means duly prescribed
12 by the director of financial management. These forms or alternative
13 means shall provide for authentication and certification by the agency
14 head or the agency head's designee that the services have been rendered
15 or the materials have been furnished; or, in the case of loans or
16 grants, that the loans or grants are authorized by law; or, in the case
17 of payments for periodic maintenance services to be performed on state
18 owned equipment, that a written contract for such periodic maintenance
19 services is currently in effect and copies thereof are on file with the
20 office of financial management; and the treasurer shall not be liable
21 under the treasurer's surety bond for erroneous or improper payments so
22 made. When services are lawfully paid for in advance of full
23 performance by any private individual or business entity other than as
24 provided for by RCW 42.24.035, such individual or entity other than
25 central stores rendering such services shall make a cash deposit or
26 furnish surety bond coverage to the state as shall be fixed in an
27 amount by law, or if not fixed by law, then in such amounts as shall be
28 fixed by the director of the department of general administration but
29 in no case shall such required cash deposit or surety bond be less than
30 an amount which will fully indemnify the state against any and all
31 losses on account of breach of promise to fully perform such services.
32 No payments shall be made in advance for any equipment maintenance
33 services to be performed more than three months after such payment.
34 Any such bond so furnished shall be conditioned that the person, firm
35 or corporation receiving the advance payment will apply it toward
36 performance of the contract. The responsibility for recovery of
37 erroneous or improper payments made under this section shall lie with
38 the agency head or the agency head's designee in accordance with
39 regulations issued pursuant to this chapter. Nothing in this section

1 shall be construed to permit a public body to advance funds to a
2 private service provider pursuant to a grant or loan before services
3 have been rendered or material furnished.

4 (6) The state auditor shall:

5 (a) Report to the legislature the results of current post audits
6 that have been made of the financial transactions of each agency; to
7 this end the auditor may, in the auditor's discretion, examine the
8 books and accounts of any agency, official, or employee charged with
9 the receipt, custody, or safekeeping of public funds. Where feasible
10 in conducting examinations, the auditor shall utilize data and findings
11 from the internal control system prescribed by the office of financial
12 management. The current post audit of each agency may include a
13 section on recommendations to the legislature as provided in (c) of
14 this subsection.

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

17 (c) Make the auditor's official report on or before the thirty-
18 first of December which precedes the meeting of the legislature. The
19 report shall be for the last complete fiscal period and shall include
20 determinations as to whether agencies, in making expenditures, complied
21 with the laws of this state. The state auditor is authorized to
22 perform or participate in performance verifications only as expressly
23 authorized by the legislature in the omnibus biennial appropriations
24 acts. The state auditor, upon completing an audit for legal and
25 financial compliance under chapter 43.09 RCW or a performance
26 verification, may report to the joint legislative ((budget)) audit and
27 review committee or other appropriate committees of the legislature, in
28 a manner prescribed by the joint legislative ((budget)) audit and
29 review committee, on facts relating to the management or performance of
30 governmental programs where such facts are discovered incidental to the
31 legal and financial audit or performance verification. The auditor may
32 make such a report to a legislative committee only if the auditor has
33 determined that the agency has been given an opportunity and has failed
34 to resolve the management or performance issues raised by the auditor.
35 If the auditor makes a report to a legislative committee, the agency
36 may submit to the committee a response to the report. This subsection
37 (6) shall not be construed to authorize the auditor to allocate other
38 than de minimis resources to performance audits except as expressly
39 authorized in the appropriations acts.

1 (d) Be empowered to take exception to specific expenditures that
2 have been incurred by any agency or to take exception to other
3 practices related in any way to the agency's financial transactions and
4 to cause such exceptions to be made a matter of public record,
5 including disclosure to the agency concerned and to the director of
6 financial management. It shall be the duty of the director of
7 financial management to cause corrective action to be taken promptly,
8 such action to include, as appropriate, the withholding of funds as
9 provided in RCW 43.88.110.

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

11 (f) Investigate improper governmental activity under chapter 42.40
12 RCW.

13 (7) The joint legislative (~~(budget)~~) audit and review committee
14 may:

15 (a) Make post audits of the financial transactions of any agency
16 and management surveys and program reviews as provided for in RCW
17 44.28.085 as well as performance audits and program evaluations. To
18 this end the joint committee may in its discretion examine the books,
19 accounts, and other records of any agency, official, or employee.

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

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

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

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

33 **Sec. 13.** RCW 28A.630.830 and 1994 c 13 s 5 are each amended to
34 read as follows:

35 (1) The selection advisory committee is created. The committee
36 shall be composed of up to three members from the house of
37 representatives, up to three members from the senate, up to two members
38 from the office of the superintendent of public instruction, and one

1 member from each of the following: The office of financial management,
2 Washington state special education coalition, transitional bilingual
3 instruction educators, and Washington education association.

4 (2) The joint legislative (~~((budget))~~) audit and review committee and
5 the superintendent of public instruction shall provide staff for the
6 selection advisory committee.

7 (3) The selection advisory committee shall:

8 (a) Develop appropriate criteria for selecting demonstration
9 projects;

10 (b) Issue requests for proposals in accordance with RCW 28A.630.820
11 through 28A.630.845 for demonstration projects;

12 (c) Review proposals and recommend demonstration projects for
13 approval by the superintendent of public instruction; and

14 (d) Advise the superintendent of public instruction on the
15 evaluation design.

16 **Sec. 14.** RCW 28B.20.382 and 1987 c 505 s 13 are each amended to
17 read as follows:

18 Until authorized and empowered to do so by statute of the
19 legislature, the board of regents of the university, with respect to
20 that certain tract of land in the city of Seattle originally known as
21 the "old university grounds" and more recently known as the
22 "Metropolitan Tract" and any land contiguous thereto, shall not sell
23 (~~((said))~~) the land or any part thereof or any improvement thereon, or
24 lease (~~((said))~~) the land or any part thereof or any improvement thereon
25 or renew or extend any lease thereof for a term ending more than sixty
26 years beyond midnight, December 31, 1980. Any sale of (~~((said))~~) the
27 land or any part thereof or any improvement thereon, or any lease or
28 renewal or extension of any lease of (~~((said))~~) the land or any part
29 thereof or any improvement thereon for a term ending more than sixty
30 years after midnight, December 31, 1980, made or attempted to be made
31 by the board of regents shall be null and void unless and until the
32 same has been approved or ratified and confirmed by legislative act.

33 The board of regents shall have power from time to time to lease
34 (~~((said))~~) the land, or any part thereof or any improvement thereon for
35 a term ending not more than sixty years beyond midnight, December 31,
36 1980: PROVIDED, That the board of regents shall make a full, detailed
37 report of all leases and transactions pertaining to (~~((said))~~) the land
38 or any part thereof or any improvement thereon to the joint legislative

1 (~~budget~~) audit and review committee, including one copy to the staff
2 of the committee, during an odd-numbered year: PROVIDED FURTHER, That
3 any and all records, books, accounts (~~and/or~~), and agreements of any
4 lessee or sublessee under this section, pertaining to compliance with
5 the terms and conditions of such lease or sublease, shall be open to
6 inspection by the board of regents (~~and/or~~), the ways and means
7 committee(~~s~~) of the senate (~~or~~), the appropriations committee of
8 the house of representatives (~~or~~), and the joint legislative
9 (~~budget~~) audit and review committee or any successor committees. It
10 is not intended by this proviso that unrelated records, books, accounts
11 (~~and/or~~), and agreements of lessees, sublessees, or related companies
12 be open to such inspection.

13 **Sec. 15.** RCW 39.19.060 and 1993 c 512 s 9 are each amended to read
14 as follows:

15 Each state agency and educational institution shall comply with the
16 annual goals established for that agency or institution under this
17 chapter for public works and procuring goods or services. This chapter
18 applies to all public works and procurement by state agencies and
19 educational institutions, including all contracts and other procurement
20 under chapters 28B.10, 39.04, 39.29, 43.19, and 47.28 RCW. Each state
21 agency shall adopt a plan, developed in consultation with the director
22 and the advisory committee, to insure that minority and women-owned
23 businesses are afforded the maximum practicable opportunity to directly
24 and meaningfully participate in the execution of public contracts for
25 public works and goods and services. The plan shall include specific
26 measures the agency will undertake to increase the participation of
27 certified minority and women-owned businesses. The office shall
28 annually notify the governor, the state auditor, and the joint
29 legislative (~~budget~~) audit and review committee of all agencies and
30 educational institutions not in compliance with this chapter.

31 **Sec. 16.** RCW 39.29.016 and 1987 c 414 s 4 are each amended to read
32 as follows:

33 Emergency contracts shall be filed with the office of financial
34 management and the joint legislative (~~budget~~) audit and review
35 committee and made available for public inspection within three working
36 days following the commencement of work or execution of the contract,
37 whichever occurs first. Documented justification for emergency

1 contracts shall be provided to the office of financial management and
2 the joint legislative (~~(budget)~~) audit and review committee when the
3 contract is filed.

4 **Sec. 17.** RCW 39.29.018 and 1993 c 433 s 5 are each amended to read
5 as follows:

6 (1) Sole source contracts shall be filed with the office of
7 financial management and the joint legislative (~~(budget)~~) audit and
8 review committee and made available for public inspection at least ten
9 working days prior to the proposed starting date of the contract.
10 Documented justification for sole source contracts shall be provided to
11 the office of financial management and the joint legislative (~~(budget)~~)
12 audit and review committee when the contract is filed. For sole source
13 contracts of ten thousand dollars or more that are state funded,
14 documented justification shall include evidence that the agency
15 attempted to identify potential consultants by advertising through
16 state-wide or regional newspapers.

17 (2) The office of financial management shall approve sole source
18 contracts of ten thousand dollars or more that are state funded, before
19 any such contract becomes binding and before any services may be
20 performed under the contract. These requirements shall also apply to
21 sole source contracts of less than ten thousand dollars if the total
22 amount of such contracts between an agency and the same consultant is
23 ten thousand dollars or more within a fiscal year. Agencies shall
24 ensure that the costs, fees, or rates negotiated in filed sole source
25 contracts of ten thousand dollars or more are reasonable.

26 **Sec. 18.** RCW 39.29.025 and 1993 c 433 s 3 are each amended to read
27 as follows:

28 (1) Substantial changes in either the scope of work specified in
29 the contract or in the scope of work specified in the formal
30 solicitation document must generally be awarded as new contracts.
31 Substantial changes executed by contract amendments must be submitted
32 to the office of financial management and the joint legislative
33 (~~(budget)~~) audit and review committee, and are subject to approval by
34 the office of financial management.

35 (2) An amendment or amendments to personal service contracts, if
36 the value of the amendment or amendments, whether singly or
37 cumulatively, exceeds fifty percent of the value of the original

1 contract must be provided to the office of financial management and the
2 joint legislative ((budget)) audit and review committee.

3 (3) The office of financial management shall approve amendments
4 provided to it under this section before the amendments become binding
5 and before services may be performed under the amendments.

6 (4) The amendments must be filed with the office of financial
7 management and made available for public inspection at least ten
8 working days prior to the proposed starting date of services under the
9 amendments.

10 (5) The office of financial management shall approve amendments
11 provided to it under this section only if they meet the criteria for
12 approval of the amendments established by the director of the office of
13 financial management.

14 **Sec. 19.** RCW 39.29.055 and 1993 c 433 s 7 are each amended to read
15 as follows:

16 (1) State-funded personal service contracts subject to competitive
17 solicitation shall be filed with the office of financial management and
18 the joint legislative ((budget)) audit and review committee and made
19 available for public inspection at least ten working days before the
20 proposed starting date of the contract.

21 (2) The office of financial management shall review and approve
22 state-funded personal service contracts subject to competitive
23 solicitation that provide services relating to management consulting,
24 organizational development, marketing, communications, employee
25 training, or employee recruiting.

26 **Sec. 20.** RCW 41.06.070 and 1995 c 163 s 1 are each amended to read
27 as follows:

28 (1) The provisions of this chapter do not apply to:

29 (a) The members of the legislature or to any employee of, or
30 position in, the legislative branch of the state government including
31 members, officers, and employees of the legislative council, joint
32 legislative ((budget)) audit and review committee, statute law
33 committee, and any interim committee of the legislature;

34 (b) The justices of the supreme court, judges of the court of
35 appeals, judges of the superior courts or of the inferior courts, or to
36 any employee of, or position in the judicial branch of state
37 government;

1 (c) Officers, academic personnel, and employees of technical
2 colleges;

3 (d) The officers of the Washington state patrol;

4 (e) Elective officers of the state;

5 (f) The chief executive officer of each agency;

6 (g) In the departments of employment security and social and health
7 services, the director and the director's confidential secretary; in
8 all other departments, the executive head of which is an individual
9 appointed by the governor, the director, his or her confidential
10 secretary, and his or her statutory assistant directors;

11 (h) In the case of a multimember board, commission, or committee,
12 whether the members thereof are elected, appointed by the governor or
13 other authority, serve ex officio, or are otherwise chosen:

14 (i) All members of such boards, commissions, or committees;

15 (ii) If the members of the board, commission, or committee serve on
16 a part-time basis and there is a statutory executive officer: The
17 secretary of the board, commission, or committee; the chief executive
18 officer of the board, commission, or committee; and the confidential
19 secretary of the chief executive officer of the board, commission, or
20 committee;

21 (iii) If the members of the board, commission, or committee serve
22 on a full-time basis: The chief executive officer or administrative
23 officer as designated by the board, commission, or committee; and a
24 confidential secretary to the chair of the board, commission, or
25 committee;

26 (iv) If all members of the board, commission, or committee serve ex
27 officio: The chief executive officer; and the confidential secretary
28 of such chief executive officer;

29 (i) The confidential secretaries and administrative assistants in
30 the immediate offices of the elective officers of the state;

31 (j) Assistant attorneys general;

32 (k) Commissioned and enlisted personnel in the military service of
33 the state;

34 (l) Inmate, student, part-time, or temporary employees, and part-
35 time professional consultants, as defined by the Washington personnel
36 resources board;

37 (m) The public printer or to any employees of or positions in the
38 state printing plant;

1 (n) Officers and employees of the Washington state fruit
2 commission;

3 (o) Officers and employees of the Washington state apple
4 advertising commission;

5 (p) Officers and employees of the Washington state dairy products
6 commission;

7 (q) Officers and employees of the Washington tree fruit research
8 commission;

9 (r) Officers and employees of the Washington state beef commission;

10 (s) Officers and employees of any commission formed under chapter
11 15.66 RCW;

12 (t) Officers and employees of the state wheat commission formed
13 under chapter 15.63 RCW;

14 (u) Officers and employees of agricultural commissions formed under
15 chapter 15.65 RCW;

16 (v) Officers and employees of the nonprofit corporation formed
17 under chapter 67.40 RCW;

18 (w) Executive assistants for personnel administration and labor
19 relations in all state agencies employing such executive assistants
20 including but not limited to all departments, offices, commissions,
21 committees, boards, or other bodies subject to the provisions of this
22 chapter and this subsection shall prevail over any provision of law
23 inconsistent herewith unless specific exception is made in such law;

24 (x) In each agency with fifty or more employees: Deputy agency
25 heads, assistant directors or division directors, and not more than
26 three principal policy assistants who report directly to the agency
27 head or deputy agency heads;

28 (y) All employees of the marine employees' commission;

29 (z) Up to a total of five senior staff positions of the western
30 library network under chapter 27.26 RCW responsible for formulating
31 policy or for directing program management of a major administrative
32 unit. This subsection (1)(z) shall expire on June 30, 1997.

33 (2) The following classifications, positions, and employees of
34 institutions of higher education and related boards are hereby exempted
35 from coverage of this chapter:

36 (a) Members of the governing board of each institution of higher
37 education and related boards, all presidents, vice-presidents, and
38 their confidential secretaries, administrative, and personal
39 assistants; deans, directors, and chairs; academic personnel; and

1 executive heads of major administrative or academic divisions employed
2 by institutions of higher education; principal assistants to executive
3 heads of major administrative or academic divisions; other managerial
4 or professional employees in an institution or related board having
5 substantial responsibility for directing or controlling program
6 operations and accountable for allocation of resources and program
7 results, or for the formulation of institutional policy, or for
8 carrying out personnel administration or labor relations functions,
9 legislative relations, public information, development, senior computer
10 systems and network programming, or internal audits and investigations;
11 and any employee of a community college district whose place of work is
12 one which is physically located outside the state of Washington and who
13 is employed pursuant to RCW 28B.50.092 and assigned to an educational
14 program operating outside of the state of Washington;

15 (b) Student, part-time, or temporary employees, and part-time
16 professional consultants, as defined by the Washington personnel
17 resources board, employed by institutions of higher education and
18 related boards;

19 (c) The governing board of each institution, and related boards,
20 may also exempt from this chapter classifications involving research
21 activities, counseling of students, extension or continuing education
22 activities, graphic arts or publications activities requiring
23 prescribed academic preparation or special training as determined by
24 the board: PROVIDED, That no nonacademic employee engaged in office,
25 clerical, maintenance, or food and trade services may be exempted by
26 the board under this provision;

27 (d) Printing craft employees in the department of printing at the
28 University of Washington.

29 (3) In addition to the exemptions specifically provided by this
30 chapter, the Washington personnel resources board may provide for
31 further exemptions pursuant to the following procedures. The governor
32 or other appropriate elected official may submit requests for exemption
33 to the Washington personnel resources board stating the reasons for
34 requesting such exemptions. The Washington personnel resources board
35 shall hold a public hearing, after proper notice, on requests submitted
36 pursuant to this subsection. If the board determines that the position
37 for which exemption is requested is one involving substantial
38 responsibility for the formulation of basic agency or executive policy
39 or one involving directing and controlling program operations of an

1 agency or a major administrative division thereof, the Washington
2 personnel resources board shall grant the request and such
3 determination shall be final as to any decision made before July 1,
4 1993. The total number of additional exemptions permitted under this
5 subsection shall not exceed one percent of the number of employees in
6 the classified service not including employees of institutions of
7 higher education and related boards for those agencies not directly
8 under the authority of any elected public official other than the
9 governor, and shall not exceed a total of twenty-five for all agencies
10 under the authority of elected public officials other than the
11 governor. The Washington personnel resources board shall report to
12 each regular session of the legislature during an odd-numbered year all
13 exemptions granted under subsections (1)(w) and (x) and (2) of this
14 section, together with the reasons for such exemptions.

15 The salary and fringe benefits of all positions presently or
16 hereafter exempted except for the chief executive officer of each
17 agency, full-time members of boards and commissions, administrative
18 assistants and confidential secretaries in the immediate office of an
19 elected state official, and the personnel listed in subsections (1)(j)
20 through (v) and (2) of this section, shall be determined by the
21 Washington personnel resources board.

22 Any person holding a classified position subject to the provisions
23 of this chapter shall, when and if such position is subsequently
24 exempted from the application of this chapter, be afforded the
25 following rights: If such person previously held permanent status in
26 another classified position, such person shall have a right of
27 reversion to the highest class of position previously held, or to a
28 position of similar nature and salary.

29 Any classified employee having civil service status in a classified
30 position who accepts an appointment in an exempt position shall have
31 the right of reversion to the highest class of position previously
32 held, or to a position of similar nature and salary.

33 A person occupying an exempt position who is terminated from the
34 position for gross misconduct or malfeasance does not have the right of
35 reversion to a classified position as provided for in this section.

36 **Sec. 21.** RCW 42.48.060 and 1985 c 334 s 6 are each amended to read
37 as follows:

1 Nothing in this chapter is applicable to, or in any way affects,
2 the powers and duties of the state auditor or the joint legislative
3 (~~budget~~) audit and review committee.

4 **Sec. 22.** RCW 43.09.310 and 1995 c 301 s 22 are each amended to
5 read as follows:

6 The state auditor shall annually audit the state-wide combined
7 financial statements prepared by the office of financial management and
8 make post-audits of state agencies. Post-audits of state agencies
9 shall be made at such periodic intervals as is determined by the state
10 auditor. Audits of combined financial statements shall include
11 determinations as to the validity and accuracy of accounting methods,
12 procedures and standards utilized in their preparation, as well as the
13 accuracy of the financial statements themselves. A report shall be
14 made of each such audit and post-audit upon completion thereof, and one
15 copy shall be transmitted to the governor, one to the director of
16 financial management, one to the state agency audited, one to the joint
17 legislative (~~budget~~) audit and review committee, one each to the
18 standing committees on ways and means of the house and senate, one to
19 the chief clerk of the house, one to the secretary of the senate, and
20 at least one shall be kept on file in the office of the state auditor.
21 A copy of any report containing findings of noncompliance with state
22 law shall be transmitted to the attorney general.

23 **Sec. 23.** RCW 43.21J.800 and 1993 c 516 s 11 are each amended to
24 read as follows:

25 On or before June 30, 1998, the joint legislative (~~budget~~) audit
26 and review committee shall prepare a report to the legislature
27 evaluating the implementation of the environmental restoration jobs act
28 of 1993, chapter 516, Laws of 1993.

29 **Sec. 24.** RCW 43.79.270 and 1973 c 144 s 2 are each amended to read
30 as follows:

31 Whenever any money, from the federal government, or from other
32 sources, which was not anticipated in the budget approved by the
33 legislature has actually been received and is designated to be spent
34 for a specific purpose, the head of any department, agency, board, or
35 commission through which such expenditure shall be made is to submit to
36 the governor a statement which may be in the form of a request for an

1 allotment amendment setting forth the facts constituting the need for
2 such expenditure and the estimated amount to be expended: PROVIDED,
3 That no expenditure shall be made in excess of the actual amount
4 received, and no money shall be expended for any purpose except the
5 specific purpose for which it was received. A copy of any proposal
6 submitted to the governor to expend money from an appropriated fund or
7 account in excess of appropriations provided by law which is based on
8 the receipt of unanticipated revenues shall be submitted to the joint
9 legislative ((~~budget~~)) audit and review committee and also to the
10 standing committees on ways and means of the house and senate if the
11 legislature is in session at the same time as it is transmitted to the
12 governor.

13 **Sec. 25.** RCW 43.79.280 and 1973 c 144 s 3 are each amended to read
14 as follows:

15 If the governor approves such estimate in whole or part, he shall
16 endorse on each copy of the statement his approval, together with a
17 statement of the amount approved in the form of an allotment amendment,
18 and transmit one copy to the head of the department, agency, board, or
19 commission authorizing the expenditure. An identical copy of the
20 governor's statement of approval and a statement of the amount approved
21 for expenditure shall be transmitted simultaneously to the joint
22 legislative ((~~budget~~)) audit and review committee and also to the
23 standing committee on ways and means of the house and senate of all
24 executive approvals of proposals to expend money in excess of
25 appropriations provided by law.

26 **Sec. 26.** RCW 43.88.205 and 1979 c 151 s 141 are each amended to
27 read as follows:

28 (1) Whenever an agency makes application, enters into a contract or
29 agreement, or submits state plans for participation in, and for grants
30 of federal funds under any federal law, the agency making such
31 application shall at the time of such action, give notice in such form
32 and manner as the director of financial management may prescribe, or
33 the ((~~chairman~~)) chair of the joint legislative ((~~budget~~)) audit and
34 review committee, standing committees on ways and means of the house
35 and senate, the chief clerk of the house, or the secretary of the
36 senate may request.

1 (2) Whenever any such application, contract, agreement, or state
2 plan is amended, such agency shall notify each such officer of such
3 action in the same manner as prescribed or requested pursuant to
4 subsection (1) of this section.

5 (3) Such agency shall promptly furnish such progress reports in
6 relation to each such application, contract, agreement, or state plan
7 as may be requested following the date of the filing of the
8 application, contract, agreement, or state plan; and shall also file
9 with each such officer a final report as to the final disposition of
10 each such application, contract, agreement, or state plan if such is
11 requested.

12 **Sec. 27.** RCW 43.88.230 and 1981 c 270 s 12 are each amended to
13 read as follows:

14 For the purposes of this chapter, the statute law committee, the
15 joint legislative ((budget)) audit and review committee, the
16 legislative transportation committee, the legislative evaluation and
17 accountability program committee, the office of state actuary, and all
18 legislative standing committees of both houses shall be deemed a part
19 of the legislative branch of state government.

20 **Sec. 28.** RCW 43.88.310 and 1993 c 157 s 1 are each amended to read
21 as follows:

22 (1) The legislative auditor, with the concurrence of the joint
23 legislative ((budget)) audit and review committee, may file with the
24 attorney general any audit exceptions or other findings of any
25 performance audit, management study, or special report prepared for the
26 joint legislative ((budget)) audit and review committee, any standing
27 or special committees of the house or senate, or the entire legislature
28 which indicate a violation of RCW 43.88.290, or any other act of
29 malfeasance, misfeasance, or nonfeasance on the part of any state
30 officer or employee.

31 (2) The attorney general shall promptly review each filing received
32 from the legislative auditor and may act thereon as provided in RCW
33 43.88.300, or any other applicable statute authorizing enforcement
34 proceedings by the attorney general. The attorney general shall advise
35 the joint legislative ((budget)) audit and review committee of the
36 status of exceptions or findings referred under this section.

1 **Sec. 29.** RCW 43.88.510 and 1987 c 505 s 37 are each amended to
2 read as follows:

3 Not later than ninety days after the beginning of each biennium,
4 the director of financial management shall submit the compiled list of
5 boards, commissions, councils, and committees, together with the
6 information on each such group, that is required by RCW 43.88.505 to:

7 (1) The speaker of the house and the president of the senate for
8 distribution to the appropriate standing committees, including one copy
9 to the staff of each of the committees;

10 (2) The chair of the joint legislative ((budget)) audit and review
11 committee, including a copy to the staff of the committee;

12 (3) The chairs of the committees on ways and means of the senate
13 and house of representatives; and

14 (4) Members of the state government committee of the house of
15 representatives and of the governmental operations committee of the
16 senate, including one copy to the staff of each of the committees.

17 **Sec. 30.** RCW 43.131.050 and 1990 c 297 s 2 are each amended to
18 read as follows:

19 The joint legislative ((budget)) audit and review committee shall
20 cause to be conducted a program and fiscal review of any state agency
21 or program scheduled for termination by the processes provided in this
22 chapter. Such program and fiscal review shall be completed and a
23 preliminary report prepared on or before June 30th of the year prior to
24 the date established for termination. Upon completion of its
25 preliminary report, the joint legislative ((budget)) audit and review
26 committee shall transmit copies of the report to the office of
27 financial management. The office of financial management may then
28 conduct its own program and fiscal review of the agency scheduled for
29 termination and shall prepare a report on or before September 30th of
30 the year prior to the date established for termination. Upon
31 completion of its report the office of financial management shall
32 transmit copies of its report to the joint legislative ((budget)) audit
33 and review committee. The joint legislative ((budget)) audit and
34 review committee shall prepare a final report that includes the reports
35 of both the office of financial management and the joint legislative
36 ((budget)) audit and review committee. The joint legislative
37 ((budget)) audit and review committee and the office of financial
38 management shall, upon request, make available to each other all

1 working papers, studies, and other documents which relate to reports
2 required under this section. The joint legislative (~~(budget)~~) audit
3 and review committee shall transmit the final report to the
4 legislature, to the state agency concerned, to the governor, and to the
5 state library.

6 **Sec. 31.** RCW 43.131.060 and 1988 c 17 s 1 are each amended to read
7 as follows:

8 In conducting the review of a regulatory entity, the joint
9 legislative (~~(budget)~~) audit and review committee shall consider, but
10 not be limited to, the following factors where applicable:

11 (1) The extent to which the regulatory entity has operated in the
12 public interest and fulfilled its statutory obligations;

13 (2) The duties of the regulatory entity and the costs incurred in
14 carrying out those duties;

15 (3) The extent to which the regulatory entity is operating in an
16 efficient, effective, and economical manner;

17 (4) The extent to which the regulatory entity inhibits competition
18 or otherwise adversely affects the state's economic climate;

19 (5) The extent to which the regulatory entity duplicates the
20 activities of other regulatory entities or of the private sector, where
21 appropriate; and

22 (6) The extent to which the absence or modification of regulation
23 would adversely affect, maintain, or improve the public health, safety,
24 or welfare.

25 **Sec. 32.** RCW 43.131.070 and 1977 ex.s. c 289 s 7 are each amended
26 to read as follows:

27 In conducting the review of a state agency other than a regulatory
28 entity, the joint legislative (~~(budget)~~) audit and review committee
29 shall consider, but not be limited to, the following factors where
30 applicable:

31 (1) The extent to which the state agency has complied with
32 legislative intent;

33 (2) The extent to which the state agency is operating in an
34 efficient and economical manner which results in optimum performance;

35 (3) The extent to which the state agency is operating in the public
36 interest by effectively providing a needed service that should be
37 continued rather than modified, consolidated, or eliminated;

1 (4) The extent to which the state agency duplicates the activities
2 of other state agencies or of the private sector, where appropriate;
3 and

4 (5) The extent to which the termination or modification of the
5 state agency would adversely affect the public health, safety, or
6 welfare.

7 **Sec. 33.** RCW 43.131.080 and 1989 c 175 s 109 are each amended to
8 read as follows:

9 (1) Following receipt of the final report from the joint
10 legislative (~~(budget)~~) audit and review committee, the appropriate
11 committees of reference in the senate and the house of representatives
12 shall each hold a public hearing, unless a joint hearing is held, to
13 consider the final report and any related data. The committees shall
14 also receive testimony from representatives of the state agency or
15 agencies involved, which shall have the burden of demonstrating a
16 public need for its continued existence; and from the governor or the
17 governor's designee, and other interested parties, including the
18 general public.

19 (2) When requested by either of the presiding members of the
20 appropriate senate and house committees of reference, a regulatory
21 entity under review shall mail an announcement of any hearing to the
22 persons it regulates who have requested notice of agency rule-making
23 proceedings as provided in RCW 34.05.320, or who have requested notice
24 of hearings held pursuant to the provisions of this section. On
25 request of either presiding member, such mailing shall include an
26 explanatory statement not exceeding one page in length prepared and
27 supplied by the member's committee.

28 (3) The presiding members of the senate committee on ways and means
29 and the house committee on appropriations may designate one or more
30 liaison members to each committee of reference in their respective
31 chambers for purposes of participating in any hearing and in subsequent
32 committee of reference discussions and to seek a coordinated approach
33 between the committee of reference and the committee they represent in
34 a liaison capacity.

35 (4) Following any hearing under subsection (1) of this section by
36 the committees of reference, such committees may hold additional
37 meetings or hearings to come to a final determination as to whether a
38 state agency has demonstrated a public need for its continued existence

1 or whether modifications in existing procedures are needed. In the
2 event that a committee of reference concludes that a state agency shall
3 be reestablished or modified or its functions transferred elsewhere, it
4 shall make such determination as a bill. No more than one state agency
5 shall be reestablished or modified in any one bill.

6 **Sec. 34.** RCW 43.131.110 and 1977 ex.s. c 289 s 11 are each amended
7 to read as follows:

8 Any reference in this chapter to a committee of the legislature
9 including the joint legislative (~~(budget)~~) audit and review committee
10 shall also refer to the successor of that committee.

11 **Sec. 35.** RCW 43.250.080 and 1986 c 294 s 8 are each amended to
12 read as follows:

13 At the end of each fiscal year, the state treasurer shall submit to
14 the governor, the state auditor, and the joint legislative (~~(budget)~~)
15 audit and review committee a summary of the activity of the investment
16 pool. The summary shall indicate the quantity of funds deposited; the
17 earnings of the pool; the investments purchased, sold, or exchanged;
18 the administrative expenses of the investment pool; and such other
19 information as the state treasurer deems relevant.

20 **Sec. 36.** RCW 44.40.025 and 1981 c 270 s 15 are each amended to
21 read as follows:

22 In addition to the powers and duties authorized in RCW 44.40.020,
23 the committee and the standing committees on transportation of the
24 house and senate shall, in coordination with the joint legislative
25 (~~(budget)~~) audit and review committee, the legislative evaluation and
26 accountability program committee, and the ways and means committees of
27 the senate and house of representatives, ascertain, study, and/or
28 analyze all available facts and matters relating or pertaining to
29 sources of revenue, appropriations, expenditures, and financial
30 condition of the motor vehicle fund and accounts thereof, the highway
31 safety fund, and all other funds or accounts related to transportation
32 programs of the state.

33 The joint legislative (~~(budget)~~) audit and review committee, the
34 legislative evaluation and accountability program committee, and the
35 ways and means committees of the senate and house of representatives
36 shall coordinate their activities with the legislative transportation

1 committee in carrying out the committees' powers and duties under
2 chapter 43.88 RCW in matters relating to the transportation programs of
3 the state.

4 **Sec. 37.** RCW 67.70.310 and 1982 2nd ex.s. c 7 s 31 are each
5 amended to read as follows:

6 The director of financial management may conduct a management
7 review of the commission's lottery operations to assure that:

8 (1) The manner and time of payment of prizes to the holder of
9 winning tickets or shares is consistent with this chapter and the rules
10 adopted under this chapter;

11 (2) The apportionment of total revenues accruing from the sale of
12 lottery tickets or shares and from all other sources is consistent with
13 this chapter;

14 (3) The manner and type of lottery being conducted, and the
15 expenses incidental thereto, are the most efficient and cost-effective;
16 and

17 (4) The commission is not unnecessarily incurring operating and
18 administrative costs.

19 In conducting a management review, the director of financial
20 management may inspect the books, documents, and records of the
21 commission. Upon completion of a management review, all irregularities
22 shall be reported to the attorney general, the joint legislative
23 (~~budget~~) audit and review committee, and the state auditor. The
24 director of financial management shall make such recommendations as may
25 be necessary for the most efficient and cost-effective operation of the
26 lottery.

27 **Sec. 38.** RCW 79.01.006 and 1991 c 204 s 1 are each amended to read
28 as follows:

29 (1) Every five years the department of social and health services
30 and other state agencies that operate institutions shall conduct an
31 inventory of all real property subject to the charitable, educational,
32 penal, and reformatory institution account and other real property
33 acquired for institutional purposes or for the benefit of the blind,
34 deaf, mentally ill, developmentally disabled, or otherwise disabled.
35 The inventory shall identify which of those real properties are not
36 needed for state-provided residential care, custody, or treatment. By
37 December 1, 1992, and every five years thereafter the department shall

1 report the results of the inventory to the house of representatives
2 committee on capital facilities and financing, the senate committee on
3 ways and means, and the joint legislative ((budget)) audit and review
4 committee.

5 (2) Real property identified as not needed for state-provided
6 residential care, custody, or treatment shall be transferred to the
7 corpus of the charitable, educational, penal, and reformatory
8 institution account. This subsection shall not apply to real property
9 subject to binding conditions that conflict with the other provisions
10 of this subsection.

11 (3) The department of natural resources shall manage all property
12 subject to the charitable, educational, penal, and reformatory
13 institution account and, in consultation with the department of social
14 and health services and other affected agencies, shall adopt a plan for
15 the management of real property subject to the account and other real
16 property acquired for institutional purposes or for the benefit of the
17 blind, deaf, mentally ill, developmentally disabled, or otherwise
18 disabled.

19 (a) The plan shall be consistent with state trust land policies and
20 shall be compatible with the needs of institutions adjacent to real
21 property subject to the plan.

22 (b) The plan may be modified as necessary to ensure the quality of
23 future management and to address the acquisition of additional real
24 property."

25 **E2SHB 2222** - S COMM AMD
26 By Committee on Ways & Means

27

28 In line 2 of the title, after "programs;" strike the remainder of
29 the title and insert "and amending RCW 44.28.010, 44.28.020, 44.28.030,
30 44.28.040, 44.28.080, 44.28.180, 44.28.087, 44.28.100, 44.28.120,
31 44.28.150, 43.88.020, 43.88.160, 28A.630.830, 28B.20.382, 39.19.060,
32 39.29.016, 39.29.018, 39.29.025, 39.29.055, 41.06.070, 42.48.060,
33 43.09.310, 43.21J.800, 43.79.270, 43.79.280, 43.88.205, 43.88.230,
34 43.88.310, 43.88.510, 43.131.050, 43.131.060, 43.131.070, 43.131.080,
35 43.131.110, 43.250.080, 44.40.025, 67.70.310, and 79.01.006."

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