
SUBSTITUTE SENATE BILL 5987

State of Washington

58th Legislature

2003 Regular Session

By Senate Committee on Highways & Transportation (originally sponsored by Senators Swecker, Haugen, Horn, Jacobsen, Prentice, Esser, Oke and Rasmussen)

READ FIRST TIME 03/10/03.

1 AN ACT Relating to the roles and responsibilities of transportation
2 agencies; amending RCW 47.01.041, 47.01.071, 47.01.260, 47.01.081,
3 47.80.030, 47.80.060, 47.80.070, 47.05.030, 43.88.020, 43.88.030,
4 43.88.122, and 43.88.150; reenacting and amending RCW 47.01.101; adding
5 a new section to chapter 47.06 RCW; adding new sections to chapter
6 43.88 RCW; creating new sections; repealing RCW 47.08.010, 44.40.070,
7 and 44.40.080; providing expiration dates; and declaring an emergency.

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

9 **Sec. 1.** RCW 47.01.041 and 1983 1st ex.s. c 53 s 28 are each
10 amended to read as follows:

11 The executive head of the department of transportation shall be the
12 secretary of transportation, who shall be appointed by the
13 transportation commission, and shall be paid a salary to be fixed by
14 the governor in accordance with the provisions of RCW 43.03.040. The
15 secretary shall be an ex officio member of the commission without a
16 vote. The secretary shall be the chief executive officer of the
17 commission and be responsible to it, and shall be guided by policies
18 established by it. The secretary shall serve (~~until~~) at the pleasure
19 of the commission and may be removed by the commission(~~, but only for~~

1 ~~incapacity, incompetence, neglect of duty, malfeasance in office, or~~
2 ~~failure to carry out the commission's policies)).~~ Before a motion for
3 dismissal shall be acted on by the commission, the secretary shall be
4 granted a hearing on formal written charges before the full commission.
5 An action by the commission to remove the secretary shall be final.

6 **Sec. 2.** RCW 47.01.071 and 1981 c 59 s 2 are each amended to read
7 as follows:

8 The transportation commission shall have the following functions,
9 powers, and duties:

10 (1) To propose policies to be adopted by the legislature designed
11 to assure the development and maintenance of a comprehensive and
12 balanced statewide transportation system which will meet the needs of
13 the people of this state for safe and efficient transportation
14 services. Wherever appropriate the policies shall provide for the use
15 of integrated, intermodal transportation systems to implement the
16 social, economic, and environmental policies, goals, and objectives of
17 the people of the state, and especially to conserve nonrenewable
18 natural resources including land and energy. To this end the
19 commission shall:

20 (a) Develop transportation policies which are based on the
21 policies, goals, and objectives expressed and inherent in existing
22 state laws, including direction by the legislature as expressed in the
23 omnibus transportation budgets;

24 (b) Inventory the adopted policies, goals, and objectives of the
25 local and area-wide governmental bodies of the state and define the
26 role of the state, regional, and local governments in determining
27 transportation policies, in transportation planning, and in
28 implementing the state transportation plan;

29 (c) Propose a transportation policy for the state(~~(, and after~~
30 ~~notice and public hearings, submit the proposal to the legislative~~
31 ~~transportation committee and the senate and house transportation~~
32 ~~committees by January 1, 1978, for consideration in the next~~
33 ~~legislative session)) to be adopted by the legislature;~~

34 (d) Establish a procedure for review and revision of the state
35 transportation policy and for submission of proposed changes to the
36 legislature;

1 (e) To integrate the statewide transportation plan with the needs
2 of the elderly and handicapped, and to coordinate federal and state
3 programs directed at assisting local governments to answer such needs;

4 (2) To establish the policy of the department to be followed by the
5 secretary on each of the following items:

6 (a) To provide for the effective coordination of state
7 transportation planning with national transportation policy, state and
8 local land use policies, and local and regional transportation plans
9 and programs;

10 (b) To provide for public involvement in transportation designed to
11 elicit the public's views both with respect to adequate transportation
12 services and appropriate means of minimizing adverse social, economic,
13 environmental, and energy impact of transportation programs;

14 (c) To provide for the administration of grants in aid and other
15 financial assistance to counties and municipal corporations for
16 transportation purposes;

17 (d) To provide for the management, sale, and lease of property or
18 property rights owned by the department which are not required for
19 transportation purposes;

20 (3)(a) To direct the secretary to (~~prepare and submit to the~~
21 ~~commission a comprehensive and balanced statewide transportation plan~~
22 ~~which shall be based on the transportation policy adopted by the~~
23 ~~legislature and applicable state and federal laws. After public notice~~
24 ~~and hearings, the commission shall adopt the plan and submit it to the~~
25 ~~legislative transportation committee and to the house and senate~~
26 ~~standing committees on transportation before January 1, 1980, for~~
27 ~~consideration in the 1980 regular legislative session)) provide to the
28 commission technical research, studies, and a needs analysis for
29 preparation of the statewide transportation plan.~~

30 (b) The plan shall be reviewed and revised prior to each regular
31 session of the legislature during an even-numbered year (~~thereafter.~~
32 ~~A preliminary plan shall be submitted to such committees by January 1,~~
33 ~~1979)) for adoption by the legislature under section 3 of this act.~~

34 (c) The plan, including any revisions, shall take into account the
35 state transportation policy adopted by the legislature, including
36 direction by the legislature as expressed in the omnibus transportation
37 budgets, and federal law and regulations relating to the planning,
38 construction, and operation of transportation facilities;

1 (4) To propose to the governor and the legislature prior to the
2 convening of each regular session held in an odd-numbered year a
3 recommended budget for the operations of the commission as required by
4 RCW 47.01.061;

5 (5) To approve and propose to the governor and to the legislature
6 prior to the convening of each regular session during an odd-numbered
7 year a recommended budget for the operation of the department and for
8 carrying out the program of the department for the ensuing biennium.
9 The proposed budget shall separately state the appropriations to be
10 made from the motor vehicle fund for highway purposes in accordance
11 with constitutional limitations and appropriations and expenditures to
12 be made from the general fund, or accounts thereof, and other available
13 sources for other operations and programs of the department;

14 (6) To review and authorize all departmental requests for
15 legislation;

16 (7) To approve the issuance and sale of all bonds authorized by the
17 legislature for capital construction of state highways, toll
18 facilities, Columbia Basin county roads (for which reimbursement to the
19 motor vehicle fund has been provided), urban arterial projects, and
20 aviation facilities;

21 (8) To adopt such rules, regulations, and policy directives as may
22 be necessary to carry out reasonably and properly those functions
23 expressly vested in the commission by statute;

24 (9) To delegate any of its powers to the secretary of
25 transportation whenever it deems it desirable for the efficient
26 administration of the department and consistent with the purposes of
27 this title;

28 (10) Beginning January 1, 2004, to review the statewide
29 transportation improvement program that is developed and submitted by
30 the state for federal transportation planning purposes. The commission
31 shall make recommendations regarding the plan and shall ensure that the
32 commission's recommendations are consistent with the policies stated in
33 the statewide transportation plan as adopted by the legislature;

34 (11) Beginning January 1, 2004, to review metropolitan
35 transportation improvement programs that are approved by the governor
36 for federal transportation planning purposes. The commission shall
37 make recommendations regarding the metropolitan transportation
38 improvement program before approval by the governor, and shall ensure

1 that the commission's recommendations are consistent with the policies
2 stated in the statewide transportation plan as adopted by the
3 legislature; and

4 (12) To exercise such other specific powers and duties as may be
5 vested in the transportation commission by this or any other provision
6 of law.

7 **NEW SECTION. Sec. 3.** A new section is added to chapter 47.06 RCW
8 to read as follows:

9 The legislature shall adopt the statewide transportation plan under
10 RCW 47.01.071(3), including any revisions to the plan, in order to
11 ensure that it clearly enumerates the state transportation policy.

12 **NEW SECTION. Sec. 4.** (1) The legislative transportation committee
13 and the transportation commission shall establish a joint work group to
14 develop a work plan for the 2003 legislative interim for the purpose of
15 recommending revisions to the statewide transportation plan under RCW
16 47.01.071. The work group shall at a minimum develop recommendations
17 that:

18 (a) Propose changes to chapter 47.06 RCW, regarding statewide
19 transportation planning;

20 (b) Propose changes to chapter 47.05 RCW, regarding priority
21 programming for highway development;

22 (c) Improve the needs analysis process in RCW 47.05.030;

23 (d) Integrate the needs analysis process in RCW 47.05.030 and the
24 benchmark measures of RCW 47.01.012 (section 101, chapter 5, Laws of
25 2002); and

26 (e) Develop guidelines for regional transportation planning
27 organizations to incorporate state policies into long-range
28 transportation plans.

29 (2) The work group shall submit its recommendations under this
30 section to the legislature and the governor by December 1, 2003.

31 **Sec. 5.** RCW 47.01.260 and 1983 c 29 s 1 are each amended to read
32 as follows:

33 (1) The department of transportation, under the direction of the
34 commission pursuant to legislative direction, shall exercise all the
35 powers and perform all the duties necessary, convenient, or incidental

1 to the planning, locating, designing, constructing, improving,
2 repairing, operating, and maintaining state highways, including bridges
3 and other structures, culverts, and drainage facilities and channel
4 changes necessary for the protection of state highways, and shall
5 examine and allow or disallow bills for any work or services performed
6 or materials, equipment, or supplies furnished.

7 (2) Subject to the limitations of RCW 4.24.115, the department, in
8 the exercise of any of its powers, may include in any authorized
9 contract a provision for indemnifying the other contracting party
10 against specific loss or damages arising out of the performance of the
11 contract.

12 (3) The department is authorized to acquire property as provided by
13 law and to construct and maintain thereon any buildings or structures
14 necessary or convenient for the planning, design, construction,
15 operation, maintenance, and administration of the state highway system
16 and to acquire property and to construct and maintain any buildings,
17 structures, appurtenances, and facilities necessary or convenient to
18 the health and safety and for the accommodation of persons traveling
19 upon state highways.

20 (4) The department is authorized to engage in planning surveys and
21 may collect, compile, and analyze statistics and other data relative to
22 existing and future highways and highway needs throughout the state,
23 and shall conduct research, investigations, and testing as it deems
24 necessary to improve the methods of construction and maintenance of
25 highways and bridges.

26 (5) The department's authority under this section is subject to the
27 policies adopted by the legislature in the statewide transportation
28 plan and transportation budgets, and the transportation commission's
29 direction provided under RCW 47.01.071.

30 NEW SECTION. **Sec. 6.** The legislative transportation committee
31 shall establish a joint work group with the transportation commission
32 and a representative of the office of financial management to develop
33 a revised budgeting format for the omnibus transportation budgets
34 adopted by the legislature. The revised format should help improve
35 understanding and communication of legislative policies and priorities,
36 as reflected in the budget document. The work group shall submit its

1 recommendations to the legislative transportation committee by December
2 1, 2003.

3 NEW SECTION. **Sec. 7.** The legislative transportation committee and
4 the transportation commission shall establish a joint work group to
5 define and designate highways of statewide significance under RCW
6 47.06.140. The work group shall consider the minimum criteria for
7 designation of highways of statewide significance as provided under RCW
8 47.05.021(3). The work group shall submit its recommendations to the
9 legislature by December 1, 2003.

10 **Sec. 8.** RCW 47.01.081 and 1984 c 48 s 1 are each amended to read
11 as follows:

12 (1) Initially the department shall be organized into divisions,
13 including the division of highways, the division of public
14 transportation, the division of aeronautics, the division of marine
15 transportation, and the division of transportation planning and budget.

16 (2) The secretary may reorganize divisions in order to attain the
17 maximum possible efficiency in the operation of the department. Each
18 division shall be headed by an assistant secretary to be appointed by
19 the secretary. The secretary may also appoint a deputy secretary as
20 may be needed for the performance of the duties and functions vested in
21 the department and may also appoint up to twelve ferry system
22 management positions as defined in RCW 47.64.011. The secretary may
23 delegate to officers within the several divisions of the department
24 authority to employ personnel necessary to discharge the
25 responsibilities of the department.

26 (3) The officers appointed under this section shall be exempt from
27 the provisions of the state civil service law and shall be paid
28 salaries to be fixed by the governor in accordance with the procedure
29 established by law for the fixing of salaries for officers exempt from
30 the operation of the state civil service law.

31 (4) The authority under this section regarding the organization of
32 the department is subject to oversight by the transportation
33 commission.

34 **Sec. 9.** RCW 47.01.101 and 1987 c 505 s 48 and 1987 c 179 s 1 are
35 each reenacted and amended to read as follows:

1 The secretary shall have the authority and it shall be his or her
2 duty, subject to policy guidance from the commission:

3 (1) To serve as chief executive officer of the department with full
4 administrative authority to direct all its activities;

5 (2) To organize the department as he or she may deem necessary to
6 carry out the work and responsibilities of the department effectively.
7 The authority under this section regarding the organization of the
8 department is subject to oversight by the transportation commission;

9 (3) To designate and establish such transportation district or
10 branch offices as may be necessary or convenient, and to appoint
11 assistants and delegate any powers, duties, and functions to them or
12 any officer or employee of the department as deemed necessary to
13 administer the department efficiently;

14 (4) To direct and coordinate the programs of the various divisions
15 of the department to assure that they achieve the greatest possible
16 mutual benefit, produce a balanced overall effort, and eliminate
17 unnecessary duplication of activity;

18 (5) To adopt all department rules that are subject to the adoption
19 procedures contained in the state administrative procedure act, except
20 rules subject to adoption by the commission pursuant to statute;

21 (6) To maintain and safeguard the official records of the
22 department, including the commission's recorded resolutions and orders;

23 (7) To provide full staff support to the commission to assist it in
24 carrying out its functions, powers, and duties and to execute the
25 policy established by the commission pursuant to its legislative
26 authority;

27 (8) To execute and implement the biennial operating budget for the
28 operation of the department in accordance with chapter 43.88 RCW and
29 with legislative appropriation and, in such manner as prescribed
30 therein, to make and report to the commission and the chairs of the
31 transportation committees of the senate and house of representatives,
32 including one copy to the staff of each of the committees, deviations
33 from the planned biennial category A and H highway construction
34 programs necessary to adjust to unexpected delays or other
35 unanticipated circumstances((--))i

36 (9) To exercise all other powers and perform all other duties as
37 are now or hereafter provided by law.

1 NEW SECTION. **Sec. 10.** The legislative transportation committee
2 and the transportation commission shall establish a joint work group to
3 plan for the implementation in 2005 of the Personnel System Reform Act
4 of 2002 (chapter 354, Laws of 2002), as it relates to transportation
5 agencies. The work group shall submit its recommendations to the
6 legislative transportation committee by December 1, 2004.

7 **Sec. 11.** RCW 47.80.030 and 1998 c 171 s 9 are each amended to read
8 as follows:

9 (1) Each regional transportation planning organization shall
10 develop, in cooperation with the department of transportation,
11 providers of public transportation and high capacity transportation,
12 ports, and local governments within the region, adopt, and periodically
13 update a regional transportation plan that:

14 (a) Is consistent with the statewide transportation plan adopted by
15 the legislature;

16 (b) Is based on a least cost planning methodology that identifies
17 the most cost-effective facilities, services, and programs;

18 (~~(b)~~) (c) Identifies existing or planned transportation
19 facilities, services, and programs, including but not limited to major
20 roadways including state highways and regional arterials, transit and
21 nonmotorized services and facilities, multimodal and intermodal
22 facilities, marine ports and airports, railroads, and noncapital
23 programs including transportation demand management that should
24 function as an integrated regional transportation system, giving
25 emphasis to those facilities, services, and programs that exhibit one
26 or more of the following characteristics:

27 (i) Crosses member county lines;

28 (ii) Is or will be used by a significant number of people who live
29 or work outside the county in which the facility, service, or project
30 is located;

31 (iii) Significant impacts are expected to be felt in more than one
32 county;

33 (iv) Potentially adverse impacts of the facility, service, program,
34 or project can be better avoided or mitigated through adherence to
35 regional policies;

36 (v) Transportation needs addressed by a project have been

1 identified by the regional transportation planning process and the
2 remedy is deemed to have regional significance; and

3 (vi) Provides for system continuity;

4 ~~((e))~~ (d) Establishes level of service standards for state
5 highways and state ferry routes, with the exception of transportation
6 facilities of statewide significance as defined in RCW 47.06.140.
7 These regionally established level of service standards for state
8 highways and state ferries shall be developed jointly with the
9 department of transportation, to encourage consistency across
10 jurisdictions. In establishing level of service standards for state
11 highways and state ferries, consideration shall be given for the
12 necessary balance between providing for the free interjurisdictional
13 movement of people and goods and the needs of local commuters using
14 state facilities;

15 ~~((d))~~ (e) Includes a financial plan demonstrating how the
16 regional transportation plan can be implemented, indicating resources
17 from public and private sources that are reasonably expected to be made
18 available to carry out the plan, and recommending any innovative
19 financing techniques to finance needed facilities, services, and
20 programs;

21 ~~((e))~~ (f) Assesses regional development patterns, capital
22 investment and other measures necessary to:

23 (i) Ensure the preservation of the existing regional transportation
24 system, including requirements for operational improvements,
25 resurfacing, restoration, and rehabilitation of existing and future
26 major roadways, as well as operations, maintenance, modernization, and
27 rehabilitation of existing and future transit, railroad systems and
28 corridors, and nonmotorized facilities; and

29 (ii) Make the most efficient use of existing transportation
30 facilities to relieve vehicular congestion and maximize the mobility of
31 people and goods;

32 ~~((f))~~ (g) Sets forth a proposed regional transportation approach,
33 including capital investments, service improvements, programs, and
34 transportation demand management measures to guide the development of
35 the integrated, multimodal regional transportation system; and

36 ~~((g))~~ (h) Where appropriate, sets forth the relationship of high
37 capacity transportation providers and other public transit providers

1 with regard to responsibility for, and the coordination between,
2 services and facilities.

3 (2) The organization shall review the regional transportation plan
4 biennially for currency and forward the adopted plan along with
5 documentation of the biennial review to the state department of
6 transportation.

7 (3) All transportation projects, programs, and transportation
8 demand management measures within the region that have an impact upon
9 regional facilities or services must be consistent with the plan and
10 with the adopted regional growth and transportation strategies.

11 **Sec. 12.** RCW 47.80.060 and 1992 c 101 s 31 are each amended to
12 read as follows:

13 In order to qualify for state planning funds available to regional
14 transportation planning organizations, the regional transportation
15 planning organizations containing any county with a population in
16 excess of one million shall provide voting membership on its executive
17 board to the state transportation commission, the state department of
18 transportation, and the three largest public port districts within the
19 region as determined by gross operating revenues. It shall further
20 assure that at least fifty percent of the county and city local elected
21 officials who serve on the executive board also serve on transit agency
22 boards or on a regional transit authority. Transportation commission
23 members shall represent the state policies reflected in the statewide
24 transportation plan adopted by the legislature.

25 **Sec. 13.** RCW 47.80.070 and 1994 c 158 s 5 are each amended to read
26 as follows:

27 In order to ensure statewide consistency in the regional
28 transportation planning process, the state department of
29 transportation, in conformance with the statewide transportation plan
30 adopted by the legislature and chapter 34.05 RCW, shall:

31 (1) In cooperation with regional transportation planning
32 organizations, establish minimum standards for development of a
33 regional transportation plan;

34 (2) Facilitate coordination between regional transportation
35 planning organizations; and

1 (3) Through the regional transportation planning process, and
2 through state planning efforts as required by RCW 47.01.071, identify
3 and jointly plan improvements and strategies within those corridors
4 important to moving people and goods on a regional or statewide basis.

5 **Sec. 14.** RCW 47.05.030 and 2002 c 5 s 402 are each amended to read
6 as follows:

7 The transportation commission shall adopt a comprehensive six-year
8 investment program specifying program objectives and performance
9 measures for the preservation and improvement programs defined in this
10 section. In the specification of investment program objectives and
11 performance measures, the transportation commission, in consultation
12 with the Washington state department of transportation, shall define
13 and adopt standards for effective programming and prioritization
14 practices including a needs analysis process. The needs analysis
15 process must ensure the identification of problems and deficiencies,
16 the evaluation of alternative solutions and trade-offs, the
17 identification of unconstrained demand for mobility, and estimations of
18 the costs and benefits of prospective projects. The investment
19 program, including the needs analysis process, must be revised
20 biennially(~~(, effective on July 1st of odd-numbered years)~~) before each
21 regular session of the legislature during an odd-numbered year. The
22 investment program must be based upon the needs identified in the
23 state-owned highway component of the statewide transportation plan as
24 defined in RCW 47.01.071(3).

25 (1) The preservation program consists of those investments
26 necessary to preserve the existing state highway system and to restore
27 existing safety features, giving consideration to lowest life cycle
28 costing. The preservation program must require use of the most cost-
29 effective pavement surfaces, considering:

- 30 (a) Life-cycle cost analysis;
- 31 (b) Traffic volume;
- 32 (c) Subgrade soil conditions;
- 33 (d) Environmental and weather conditions;
- 34 (e) Materials available; and
- 35 (f) Construction factors.

36 The comprehensive six-year investment program for preservation must

1 identify projects for two years and an investment plan for the
2 remaining four years.

3 (2) The improvement program consists of investments needed to
4 address identified deficiencies on the state highway system to increase
5 mobility, address congestion, and improve safety, support for the
6 economy, and protection of the environment. The six-year investment
7 program for improvements must identify projects for two years and major
8 deficiencies proposed to be addressed in the six-year period giving
9 consideration to relative benefits and life cycle costing. The
10 transportation commission shall give higher priority for correcting
11 identified deficiencies on those facilities classified as facilities of
12 statewide significance as defined in RCW 47.06.140. Project
13 prioritization must be based primarily upon cost-benefit analysis,
14 where appropriate.

15 The transportation commission shall approve and present the
16 comprehensive six-year investment program to the legislature in support
17 of the biennial budget request under ((RCW 44.40.070 and 44.40.080))
18 sections 17, 18, and 20 of this act.

19 **Sec. 15.** RCW 43.88.020 and 2000 2nd sp.s. c 4 s 11 are each
20 amended to read as follows:

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

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

27 (3) "Director of financial management" means the official appointed
28 by the governor to serve at the governor's pleasure and to whom the
29 governor may delegate necessary authority to carry out the governor's
30 duties as provided in this chapter. The director of financial
31 management shall be head of the office of financial management which
32 shall be in the office of the governor.

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

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

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

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

15 (8) "Dedicated fund" means a fund in the state treasury, or a
16 separate account or fund in the general fund in the state treasury,
17 that by law is dedicated, appropriated, or set aside for a limited
18 object or purpose; but "dedicated fund" does not include a revolving
19 fund or a trust fund.

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

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

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

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

36 (13) "Lapse" means the termination of authority to expend an
37 appropriation.

1 (14) "Legislative fiscal committees" means the joint legislative
2 audit and review committee, the legislative evaluation and
3 accountability program committee, the ways and means and transportation
4 committees of the senate and house of representatives, and, where
5 appropriate, the legislative transportation committee.

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

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

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

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

17 (19) "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 (20) "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~~)) section 17 of this act, that are prepared by the office of
28 financial management in consultation with the transportation revenue
29 forecast council.

30 (21) "Estimated receipts" means the estimated receipt of cash in
31 the most recent official economic and revenue forecast prepared under
32 RCW 82.33.020, and prepared by the office of financial management for
33 those funds, accounts, and sources for which the office of the economic
34 and revenue forecast council does not prepare an official forecast.

35 (22) "State budgeting, accounting, and reporting system" means a
36 system that gathers, maintains, and communicates fiscal information.
37 The system links fiscal information beginning with development of

1 agency budget requests through adoption of legislative appropriations
2 to tracking actual receipts and expenditures against approved plans.

3 (23) "Allotment of appropriation" means the agency's statement of
4 proposed expenditures, the director of financial management's review of
5 that statement, and the placement of the approved statement into the
6 state budgeting, accounting, and reporting system.

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

11 (25) "Undesignated fund balance (or deficit)" means unreserved and
12 undesignated current assets or other resources available for
13 expenditure over and above any current liabilities which are expected
14 to be incurred by the close of the fiscal period.

15 (26) "Internal audit" means an independent appraisal activity
16 within an agency for the review of operations as a service to
17 management, including a systematic examination of accounting and fiscal
18 controls to assure that human and material resources are guarded
19 against waste, loss, or misuse; and that reliable data are gathered,
20 maintained, and fairly disclosed in a written report of the audit
21 findings.

22 (27) "Performance verification" means an analysis that (a) verifies
23 the accuracy of data used by state agencies in quantifying intended
24 results and measuring performance toward those results, and (b)
25 verifies whether or not the reported results were achieved.

26 (28) "Performance audit" has the same meaning as it is defined in
27 RCW 44.28.005.

28 (29) "Transportation budget" means a proposed plan of expenditures
29 for a given period for the purposes of funding the state's expenditures
30 supporting the movement of goods and people as well as the proposed
31 means for financing these expenditures. For the purposes of this
32 chapter the transportation budget includes the major programs of state
33 agencies dealing with transportation activities, including the
34 department of transportation, the Washington state patrol, the
35 department of licensing, the traffic safety commission, the board of
36 pilotage, the transportation improvement board and the county road
37 administration board or successor agencies, and any other programs or

1 agencies as determined by the legislative evaluation and accountability
2 program committee in consultation with the legislative transportation
3 committee.

4 NEW SECTION. Sec. 16. INSTRUCTIONS FOR SIX-YEAR TRANSPORTATION
5 PLANS. (1) The director shall provide agencies and committees that are
6 required under section 17 of this act to develop comprehensive six-year
7 programs and financial plans with a complete set of instructions for
8 submitting these program and financial plans at the same time that
9 instructions for submitting other budget requests are provided.

10 (2) The governor's budget must outline proposed six-year financial
11 policies, as well as the revenues necessary to support the six-year
12 transportation program and financial plan. In estimating related
13 revenues, the office of financial management shall rely on information
14 and advice from the transportation revenue forecast council.

15 (3) Both supplemental and biennial budget documents must reflect a
16 six-year expenditure plan consistent with estimated revenues from
17 existing sources and at existing rates for those agencies required to
18 submit six-year programs and financial plans under section 17 of this
19 act. Any additional revenue resulting from proposed changes to
20 existing statutes must be separately identified within the document as
21 well as related expenditures for the six-year period.

22 NEW SECTION. Sec. 17. DEVELOPMENT OF SIX-YEAR TRANSPORTATION
23 PLAN. Before October 1st of each even-numbered year, all state
24 agencies or successor agencies, whose major programs consist of
25 transportation activities, including the department of transportation,
26 the transportation improvement board, the Washington state patrol, the
27 department of licensing, the traffic safety commission, the county road
28 administration board, and the board of pilotage commissioners, shall
29 adopt or revise after consultation with the legislative transportation
30 committee, a comprehensive six-year program and financial plan for all
31 transportation activities under each agency's jurisdiction. The plans
32 must conform with the statewide transportation plan adopted by the
33 legislature and be in the form prescribed by the director of financial
34 management.

35 The comprehensive six-year program and financial plan must state

1 the general objectives and needs of each agency's major transportation
2 programs, including workload and performance estimates.

3 NEW SECTION. **Sec. 18.** DETAILS OF TRANSPORTATION AGENCIES' BUDGET
4 REQUESTS. The transportation agencies' biennial budget requests must
5 include details of expenditures, and performance and public service
6 criteria for the transportation programs and activities of each agency
7 in consonance with that agency's adopted six-year comprehensive program
8 and financial plan.

9 NEW SECTION. **Sec. 19.** HIGHWAY ALLOCATIONS. When an allocation
10 for the construction or improvement of state highways is provided, that
11 allocation is under the control of the department of transportation
12 pursuant to directives by the transportation commission.

13 NEW SECTION. **Sec. 20.** AGENCIES THAT COLLECT REVENUE MUST DEVELOP
14 SIX-YEAR PROGRAMS. Each agency engaged in planning for transportation
15 activities under section 17 of this act shall prepare estimated
16 revenues and estimated receipts for the current and ensuing biennium
17 and shall submit the estimates to the director of financial management
18 and the director of revenue at times and in the form specified by the
19 directors, along with any other information that the directors may
20 request.

21 A copy of the revenue estimates must be simultaneously submitted to
22 the economic and revenue forecast work group when required by the
23 office of the economic and revenue forecast council.

24 **Sec. 21.** RCW 43.88.030 and 2002 c 371 s 911 are each amended to
25 read as follows:

26 (1) The director of financial management shall provide all agencies
27 with a complete set of instructions for submitting biennial budget
28 requests to the director at least three months before agency budget
29 documents are due into the office of financial management. The
30 director shall provide agencies and committees that are required under
31 (~~RCW 44.40.070~~) section 17 of this act to develop comprehensive six-
32 year program and financial plans with a complete set of instructions
33 for submitting these program and financial plans at the same time that
34 instructions for submitting other budget requests are provided. The

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

1 Supplemental and biennial documents shall reflect a six-year
2 expenditure plan consistent with estimated revenues from existing
3 sources and at existing rates for those agencies required to submit
4 six-year program and financial plans under ((RCW 44.40.070)) section 17
5 of this act. Any additional revenue resulting from proposed changes to
6 existing statutes shall be separately identified within the document as
7 well as related expenditures for the six-year period.

8 The budget document or documents shall also contain:

9 (a) Revenues classified by fund and source for the immediately past
10 fiscal period, those received or anticipated for the current fiscal
11 period, those anticipated for the ensuing biennium, and those
12 anticipated for the ensuing six-year period to support the six-year
13 programs and financial plans required under ((RCW 44.40.070)) section
14 17 of this act;

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

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

19 (d) Such additional information dealing with revenues and
20 expenditures as the governor shall deem pertinent and useful to the
21 legislature;

22 (e) Tabulations showing expenditures classified by fund, function,
23 activity, and agency. However, documents submitted for the 2003-05
24 biennial budget request need not show expenditures by activity;

25 (f) A delineation of each agency's activities, including those
26 activities funded from nonbudgeted, nonappropriated sources, including
27 funds maintained outside the state treasury;

28 (g) Identification of all proposed direct expenditures to implement
29 the Puget Sound water quality plan under chapter 90.71 RCW, shown by
30 agency and in total; and

31 (h) Tabulations showing each postretirement adjustment by
32 retirement system established after fiscal year 1991, to include, but
33 not be limited to, estimated total payments made to the end of the
34 previous biennial period, estimated payments for the present biennium,
35 and estimated payments for the ensuing biennium.

36 (2) The budget document or documents shall include detailed
37 estimates of all anticipated revenues applicable to proposed operating
38 or capital expenditures and shall also include all proposed operating

1 or capital expenditures. The total of beginning undesignated fund
2 balance and estimated revenues less working capital and other reserves
3 shall equal or exceed the total of proposed applicable expenditures.
4 The budget document or documents shall further include:

5 (a) Interest, amortization and redemption charges on the state
6 debt;

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

8 (c) Other statutory expenditures;

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

10 (e) Revenues derived from agency operations;

11 (f) Expenditures and revenues shall be given in comparative form
12 showing those incurred or received for the immediately past fiscal
13 period and those anticipated for the current biennium and next ensuing
14 biennium, as well as those required to support the six-year programs
15 and financial plans required under (~~RCW 44.40.070~~) section 17 of this
16 act;

17 (g) A showing and explanation of amounts of general fund and other
18 funds obligations for debt service and any transfers of moneys that
19 otherwise would have been available for appropriation;

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

21 (i) A showing, by agency, of the value and purpose of financing
22 contracts for the lease/purchase or acquisition of personal or real
23 property for the current and ensuing fiscal periods; and

24 (j) A showing and explanation of anticipated amounts of general
25 fund and other funds required to amortize the unfunded actuarial
26 accrued liability of the retirement system specified under chapter
27 41.45 RCW, and the contributions to meet such amortization, stated in
28 total dollars and as a level percentage of total compensation.

29 (3) A separate capital budget document or schedule shall be
30 submitted that will contain the following:

31 (a) A statement setting forth a long-range facilities plan for the
32 state that identifies and includes the highest priority needs within
33 affordable spending levels;

34 (b) A capital program consisting of proposed capital projects for
35 the next biennium and the two biennia succeeding the next biennium
36 consistent with the long-range facilities plan. Inasmuch as is
37 practical, and recognizing emergent needs, the capital program shall
38 reflect the priorities, projects, and spending levels proposed in

1 previously submitted capital budget documents in order to provide a
2 reliable long-range planning tool for the legislature and state
3 agencies;

4 (c) A capital plan consisting of proposed capital spending for at
5 least four biennia succeeding the next biennium;

6 (d) A strategic plan for reducing backlogs of maintenance and
7 repair projects. The plan shall include a prioritized list of specific
8 facility deficiencies and capital projects to address the deficiencies
9 for each agency, cost estimates for each project, a schedule for
10 completing projects over a reasonable period of time, and
11 identification of normal maintenance activities to reduce future
12 backlogs;

13 (e) A statement of the reason or purpose for a project;

14 (f) Verification that a project is consistent with the provisions
15 set forth in chapter 36.70A RCW;

16 (g) A statement about the proposed site, size, and estimated life
17 of the project, if applicable;

18 (h) Estimated total project cost;

19 (i) For major projects valued over five million dollars, estimated
20 costs for the following project components: Acquisition, consultant
21 services, construction, equipment, project management, and other costs
22 included as part of the project. Project component costs shall be
23 displayed in a standard format defined by the office of financial
24 management to allow comparisons between projects;

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

27 (k) Estimated ensuing biennium costs;

28 (l) Estimated costs beyond the ensuing biennium;

29 (m) Estimated construction start and completion dates;

30 (n) Source and type of funds proposed;

31 (o) Estimated ongoing operating budget costs or savings resulting
32 from the project, including staffing and maintenance costs;

33 (p) For any capital appropriation requested for a state agency for
34 the acquisition of land or the capital improvement of land in which the
35 primary purpose of the acquisition or improvement is recreation or
36 wildlife habitat conservation, the capital budget document, or an
37 omnibus list of recreation and habitat acquisitions provided with the
38 governor's budget document, shall identify the projected costs of

1 operation and maintenance for at least the two biennia succeeding the
2 next biennium. Omnibus lists of habitat and recreation land
3 acquisitions shall include individual project cost estimates for
4 operation and maintenance as well as a total for all state projects
5 included in the list. The document shall identify the source of funds
6 from which the operation and maintenance costs are proposed to be
7 funded;

8 (q) Such other information bearing upon capital projects as the
9 governor deems to be useful;

10 (r) Standard terms, including a standard and uniform definition of
11 normal maintenance, for all capital projects;

12 (s) Such other information as the legislature may direct by law or
13 concurrent resolution.

14 For purposes of this subsection (3), the term "capital project"
15 shall be defined subsequent to the analysis, findings, and
16 recommendations of a joint committee comprised of representatives from
17 the house capital appropriations committee, senate ways and means
18 committee, legislative transportation committee, legislative evaluation
19 and accountability program committee, and office of financial
20 management.

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

34 **Sec. 22.** RCW 43.88.122 and 2000 2nd sp.s. c 4 s 14 are each
35 amended to read as follows:

36 Where there are variances of revenue forecasts between the office
37 of financial management and the transportation revenue forecast

1 council, for those transportation agencies that are required to develop
2 plans under (~~RCW 44.40.070~~) section 17 of this act, the office of
3 financial management shall submit (1) a reconciliation of the
4 differences between the revenue forecasts and (2) the assumptions used
5 by the office of financial management to the transportation committees
6 of the senate and the house of representatives.

7 **Sec. 23.** RCW 43.88.150 and 1995 c 6 s 1 are each amended to read
8 as follows:

9 (1) For those agencies that make expenditures from both
10 appropriated and nonappropriated funds for the same purpose, the
11 governor shall direct such agencies to charge their expenditures in
12 such ratio, as between appropriated and nonappropriated funds, as will
13 conserve appropriated funds. This subsection does not apply to
14 institutions of higher education, as defined in RCW 28B.10.016.

15 (2) Unless otherwise provided by law, if state moneys are
16 appropriated for a capital project and matching funds or other
17 contributions are required as a condition of the receipt of the state
18 moneys, the state moneys shall be disbursed in proportion to and only
19 to the extent that the matching funds or other contributions have been
20 received and are available for expenditure.

21 (3) The office of financial management shall adopt guidelines for
22 the implementation of this section. The guidelines may account for
23 federal matching requirements or other requirements to spend other
24 moneys in a particular manner.

25 (4) This section does not apply to appropriations made in the
26 transportation budget.

27 NEW SECTION. **Sec. 24.** The following acts or parts of acts are
28 each repealed:

29 (1) RCW 47.08.010 (Control of allocated funds) and 1984 c 7 s 92 &
30 1961 c 13 s 47.08.010;

31 (2) RCW 44.40.070 (State transportation agencies--Comprehensive
32 programs and financial plans) and 1998 c 245 s 87, 1988 c 167 s 10,
33 1979 ex.s. c 192 s 3, 1979 c 158 s 112, 1977 ex.s. c 235 s 9, & 1973
34 1st ex.s. c 201 s 1; and

35 (3) RCW 44.40.080 (State transportation agencies--Recommended

1 budget--Preparation and presentation--Contents) and 1973 1st ex.s. c
2 201 s 2.

3 NEW SECTION. **Sec. 25.** Sections 16 through 20 of this act are each
4 added to and designated as a subchapter of chapter 43.88 RCW under the
5 subchapter designation "Transportation."

6 NEW SECTION. **Sec. 26.** Captions used in this act are not part of
7 the law.

8 NEW SECTION. **Sec. 27.** Sections 4, 6, and 7 of this act expire on
9 January 1, 2004. Section 10 of this act expires on January 1, 2005.

10 NEW SECTION. **Sec. 28.** This act is necessary for the immediate
11 preservation of the public peace, health, or safety, or support of the
12 state government and its existing public institutions, and takes effect
13 immediately.

--- END ---