
HOUSE BILL 1945

State of Washington 61st Legislature 2009 Regular Session

By Representatives Kagi, Walsh, Cody, Hunter, Green, Carlyle,
Williams, and Kenney

Read first time 02/03/09. Referred to Committee on Ways & Means.

1 AN ACT Relating to notifying the legislature of significant changes
2 to allotments of appropriations; and amending RCW 43.88.110.

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

4 **Sec. 1.** RCW 43.88.110 and 2003 c 206 s 1 are each amended to read
5 as follows:

6 This section sets forth the expenditure programs and the allotment
7 and reserve procedures to be followed by the executive branch for
8 public funds.

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

11 (2) The director of financial management shall provide all agencies
12 with a complete set of operating and capital instructions for preparing
13 a statement of proposed expenditures at least thirty days before the
14 beginning of a fiscal period. The set of instructions need not include
15 specific appropriation amounts for the agency.

16 (3) Within forty-five days after the beginning of the fiscal period
17 or within forty-five days after the governor signs the omnibus biennial
18 appropriations act, whichever is later, all agencies shall submit to

1 the governor a statement of proposed expenditures at such times and in
2 such form as may be required by the governor.

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

6 (a) Appropriations made for capital projects including
7 transportation projects;

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

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

11 (d) Comparisons of estimated construction start and completion
12 dates with actual dates;

13 (e) Documentation of fund shifts between projects.

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

17 (5) The office of financial management shall publish agency annual
18 maintenance summary reports beginning in October 1997. State agencies
19 shall submit a separate report for each major campus or site, as
20 defined by the office of financial management. Reports shall be
21 prepared in a format prescribed by the office of financial management
22 and shall include, but not be limited to: Information describing the
23 number, size, and condition of state-owned facilities; facility
24 maintenance, repair, and operating expenses paid from the state
25 operating and capital budgets, including maintenance staffing levels;
26 the condition of major infrastructure systems; and maintenance
27 management initiatives undertaken by the agency over the prior year.
28 Agencies shall submit their annual maintenance summary reports to the
29 office of financial management by September 1 each year.

30 (6) The office of financial management, prior to approving
31 allotments for major capital construction projects valued over five
32 million dollars, shall institute procedures for reviewing such projects
33 at the predesign stage that will reduce long-term costs and increase
34 facility efficiency. The procedures shall include, but not be limited
35 to, the following elements:

36 (a) Evaluation of facility program requirements and consistency
37 with long-range plans;

1 (b) Utilization of a system of cost, quality, and performance
2 standards to compare major capital construction projects; and

3 (c) A requirement to incorporate value-engineering analysis and
4 constructability review into the project schedule.

5 (7) No expenditure may be incurred or obligation entered into for
6 such major capital construction projects including, without exception,
7 land acquisition, site development, predesign, design, construction,
8 and equipment acquisition and installation, until the allotment of the
9 funds to be expended has been approved by the office of financial
10 management. This limitation does not prohibit the continuation of
11 expenditures and obligations into the succeeding biennium for projects
12 for which allotments have been approved in the immediate prior
13 biennium.

14 (8) If at any time during the fiscal period the governor projects
15 a cash deficit in a particular fund or account as defined by RCW
16 43.88.050, the governor shall make across-the-board reductions in
17 allotments for that particular fund or account so as to prevent a cash
18 deficit, unless the legislature has directed the liquidation of the
19 cash deficit over one or more fiscal periods.

20 (9) Except for the legislative and judicial branches and other
21 agencies headed by elective officials, the governor shall review the
22 statement of proposed operating expenditures for reasonableness and
23 conformance with legislative intent. The governor may request
24 corrections of proposed allotments submitted by the legislative and
25 judicial branches and agencies headed by elective officials if those
26 proposed allotments contain significant technical errors.

27 (10) Once the governor approves the proposed allotments, further
28 revisions may at the request of the office of financial management or
29 upon the agency's initiative be made on a quarterly basis and must be
30 accompanied by an explanation of the reasons for significant changes.
31 If allotment revisions proposed by an agency or the office of financial
32 management make significant changes to allotments, the office of
33 financial management shall provide notice to the appropriate
34 legislative fiscal committees of the proposed revisions, including the
35 explanation for the significant changes, and the revisions may not take
36 effect until ten days after this notice is provided. However, changes
37 in appropriation level authorized by the legislature, changes required
38 by across-the-board reductions mandated by the governor, changes caused

1 by executive increases to spending authority, and changes caused by
2 executive decreases to spending authority for failure to comply with
3 the provisions of chapter 36.70A RCW may require additional revisions.
4 Revisions shall not be made retroactively. However, the governor may
5 assign to a reserve status any portion of an agency appropriation
6 withheld as part of across-the-board reductions made by the governor
7 and any portion of an agency appropriation conditioned on a contingent
8 event by the appropriations act. The governor may remove these amounts
9 from reserve status if the across-the-board reductions are subsequently
10 modified or if the contingent event occurs.

11 (11) The director of financial management shall enter approved
12 statements of proposed expenditures into the state budgeting,
13 accounting, and reporting system within forty-five days after receipt
14 of the proposed statements from the agencies. If an agency or the
15 director of financial management is unable to meet these requirements,
16 the director of financial management shall provide a timely explanation
17 in writing to the legislative fiscal committees.

18 ~~((+9))~~ (12) It is expressly provided that all agencies shall be
19 required to maintain accounting records and to report thereon in the
20 manner prescribed in this chapter and under the regulations issued
21 pursuant to this chapter. Within ninety days of the end of the fiscal
22 year, all agencies shall submit to the director of financial management
23 their final adjustments to close their books for the fiscal year.
24 Prior to submitting fiscal data, written or oral, to committees of the
25 legislature, it is the responsibility of the agency submitting the data
26 to reconcile it with the budget and accounting data reported by the
27 agency to the director of financial management.

28 ~~((+10))~~ (13) The director of financial management may exempt
29 certain public funds from the allotment controls established under this
30 chapter if it is not practical or necessary to allot the funds.
31 Allotment control exemptions expire at the end of the fiscal biennium
32 for which they are granted. The director of financial management shall
33 report any exemptions granted under this subsection to the legislative
34 fiscal committees.

--- END ---