

SENATE BILL REPORT

SB 5293

As of January 19, 2023

Title: An act relating to improving the fiscal process by updating accounts administered by the Office of Financial Management, creating new accounts including one for the opioid litigation settlement and one for the receipt of federal funds, and reenacting accounts created in the supplemental budget bill.

Brief Description: Improving the fiscal process by updating accounts administered by the Office of Financial Management, creating new accounts including one for the opioid litigation settlement and one for the receipt of federal funds, and reenacting accounts created in the supplemental budget bill.

Sponsors: Senators Rolfes, Robinson, Kuderer, Nobles and Van De Wege; by request of Office of Financial Management.

Brief History:

Committee Activity: Ways & Means: 1/19/23.

Brief Summary of Bill

- Revises the existing Office of Financial Management Central Service Account and the Personnel Service Fund.
- Creates a new GOV Central Service Account to fund the costs of statewide policy and equity functions of the Office of the Governor and the Office of Equity.
- Creates a new Distributor Opioid Abatement Settlement Account to receive funds from the *State v. McKesson Corp, et al* settlement.
- Creates a new State Hazard Mitigation Revolving Loan Account to receive federal funds from the Safeguarding Tomorrow through Ongoing Risk Mitigation Act.
- Reenacts two accounts created in the 2022 omnibus supplemental operating appropriation bill.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Julie Murray (786-7711)

Background: In addition to the state general fund, which may be expended for any lawful purpose, the state maintains several hundred accounts dedicated to particular statutory purposes. These accounts generally fall into one of the three following categories:

- accounts located in the State Treasury, which require appropriation by the Legislature;
- accounts held in the custody of the State Treasurer, which may or may not require legislative appropriation; and
- accounts located in state agencies and institutions of higher education, known as local accounts, which may require approval by the Office of Financial Management (OFM).

Accounts are generally created in policy bills for the purpose of dedicating moneys in the account for the policy purposes of the bill. Accounts are also created in omnibus appropriation bills to dedicate funding for specific purposes and appropriations. Expenditures from dedicated accounts are limited to the purposes defined in law, and therefore, legislative action is required to temporarily or permanently expand or further restrict the purposes of a dedicated account.

Summary of Bill: The OFM Central Service Account and the Personnel Service Fund are revised to reflect current practices.

The GOV Central Service Account is created to fund, consistent with the Governor's statewide cost allocation for federal funds, the costs of statewide policy and equity functions of the Office of the Governor and the Office of Equity.

The Distributor Opioid Abatement Settlement Account is created to receive funds from the *State v. McKesson Corp, et al* settlement. Moneys in the account may only be used for future opioid remediation, defined as expenditures designed, designed to address the use and abuse of opioid products; treat or mitigate opioid use or related disorders; or mitigate other alleged effects of, including those injured as a result of, the opioid epidemic.

The State Hazard Mitigation Revolving Loan Account is created to receive federal funds from the Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act. Moneys in the account may only be used, consistent with federal law, to administer the STORM program, including loans to local and tribal governments. Eligible uses of funds include carrying out projects designed to mitigate the impact of natural hazards; zoning and land use planning changes focused on low-impact development and community resiliency; building code enforcement to protect building's users against disasters and natural hazards; and providing technical assistance.

The Community Reinvestment Account and Electric Vehicle Incentive Account created in the 2022 omnibus supplemental operating appropriation bill are reenacted.

Appropriation: None.

Fiscal Note: Requested on January 13, 2023.

Creates Committee/Commission/Task Force that includes Legislative members: Yes.

Effective Date: The bill contains several effective dates. Please refer to the bill.

Staff Summary of Public Testimony: PRO: This bill intends to better align funding for OFM functions with a full range of supports and services agencies are receiving from OFM and the Office of the Governor. It addresses disconnect by striking language that applies those charges only for classified staff. This change would apply charges more fairly and appropriately across agencies, and charges would be adjusted accordingly based on appropriations. This bill will also create a new Governor's central service account as a revolving fund for the statewide policy and equity functions in the Office of Equity and the Office of the Governor. Section 6 creates a hazard mitigation revolving fund account that local governments and tribes can apply for loans from for hazard mitigation projects and activities.

Persons Testifying: PRO: K.D. Chapman-See, Office of Financial Management; Jamie Langford, Office of Financial Management; Jim Baumgart, Washington Military Department.

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