
HOUSE BILL 1411

State of Washington

69th Legislature

2025 Regular Session

By Representatives Couture, Orcutt, Griffey, Ley, Schmick, Connors, and Jacobsen

Read first time 01/20/25. Referred to Committee on Appropriations.

1 AN ACT Relating to limiting assumed revenues to projected
2 revenues by the economic and revenue forecast council; amending RCW
3 43.88.030 and 43.88.055; and declaring an emergency.

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

5 **Sec. 1.** RCW 43.88.030 and 2023 c 474 s 8035 are each amended to
6 read as follows:

7 (1) The director of financial management shall provide all
8 agencies with a complete set of instructions for submitting biennial
9 budget requests to the director at least three months before agency
10 budget documents are due into the office of financial management. The
11 budget document or documents shall consist of the governor's budget
12 message which shall be explanatory of the budget and shall contain an
13 outline of the proposed financial policies of the state for the
14 ensuing fiscal period, as well as an outline of the proposed six-year
15 financial policies where applicable, and shall describe in connection
16 therewith the important features of the budget. The biennial budget
17 document or documents shall also describe performance indicators that
18 demonstrate measurable progress towards priority results. The message
19 shall set forth the reasons for salient changes from the previous
20 fiscal period in expenditure and revenue items and shall explain any
21 major changes in financial policy. Attached to the budget message

1 shall be such supporting schedules, exhibits and other explanatory
2 material in respect to both current operations and capital
3 improvements as the governor shall deem to be useful to the
4 legislature. The budget document or documents shall set forth a
5 proposal for expenditures in the ensuing fiscal period, or six-year
6 period where applicable, based upon the estimated revenues and
7 caseloads as approved by the economic and revenue forecast council
8 and caseload forecast council or upon the estimated revenues and
9 caseloads of the office of financial management for those funds,
10 accounts, sources, and programs for which the forecast councils do
11 not prepare an official forecast. Revenues shall be estimated for
12 such fiscal period from the source and at the rates existing by law
13 at the time of submission of the budget document, including the
14 supplemental budgets submitted in the even-numbered years of a
15 biennium. However, the estimated revenues and caseloads for use in
16 the governor's budget document may be adjusted to reflect budgetary
17 revenue transfers and revenue and caseload estimates dependent upon
18 budgetary assumptions of enrollments, workloads, and caseloads. All
19 adjustments to the approved estimated revenues and caseloads must be
20 set forth in the budget document. The governor may additionally
21 submit, as an appendix to each supplemental, biennial, or six-year
22 agency budget or to the budget document or documents, a proposal for
23 expenditures in the ensuing fiscal period from revenue sources
24 derived from proposed changes in existing statutes.

25 The budget document or documents shall also contain:

26 (a) Revenues classified by fund and source for the immediately
27 past fiscal period, those received or anticipated for the current
28 fiscal period, and those anticipated for the ensuing biennium;

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

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

33 (d) Such additional information dealing with revenues and
34 expenditures as the governor shall deem pertinent and useful to the
35 legislature;

36 (e) Tabulations showing expenditures classified by fund,
37 function, and agency;

38 (f) The expenditures that include nonbudgeted, nonappropriated
39 accounts outside the state treasury;

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

4 (h) Tabulations showing each postretirement adjustment by
5 retirement system established after fiscal year 1991, to include, but
6 not be limited to, estimated total payments made to the end of the
7 previous biennial period, estimated payments for the present
8 biennium, and estimated payments for the ensuing biennium.

9 (2) The budget document or documents shall include detailed
10 estimates of all anticipated revenues applicable to proposed
11 operating or capital expenditures and shall also include all proposed
12 operating or capital expenditures. The total of beginning
13 undesignated fund balance and estimated revenues less working capital
14 and other reserves shall equal or exceed the total of proposed
15 applicable expenditures. The budget document or documents shall
16 further include:

17 (a) Interest, amortization and redemption charges on the state
18 debt;

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

20 (c) Other statutory expenditures;

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

22 (e) Revenues derived from agency operations;

23 (f) Expenditures and revenues shall be given in comparative form
24 showing those incurred or received for the immediately past fiscal
25 period and those anticipated for the current biennium and next
26 ensuing biennium;

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

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

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

34 (j) A showing and explanation of anticipated amounts of general
35 fund and other funds required to amortize the unfunded actuarial
36 accrued liability of the retirement system specified under chapter
37 41.45 RCW, and the contributions to meet such amortization, stated in
38 total dollars and as a level percentage of total compensation.

39 (3) The governor's operating budget document or documents shall
40 reflect the statewide priorities as required by RCW 43.88.090.

1 (4) The governor's operating budget document or documents shall
2 identify activities that are not addressing the statewide priorities.

3 (5) (a) Beginning in the 2021-2023 fiscal biennium, the governor's
4 operating budget document or documents submitted to the legislature
5 must leave, in total, a positive ending fund balance in the general
6 fund and related funds.

7 (b) Beginning in the 2021-2023 fiscal biennium, the projected
8 maintenance level of the governor's operating budget document or
9 documents submitted to the legislature must not exceed the available
10 fiscal resources for the next ensuing fiscal biennium.

11 (c) For purposes of this subsection:

12 (i) "Available fiscal resources" means the beginning general fund
13 and related funds balances and any fiscal resources estimated for the
14 general fund and related funds, adjusted for proposed revenue
15 legislation, and with forecasted revenues (~~(adjusted)~~) pursuant to
16 (~~(the greater of (A))~~) the official general fund and related funds
17 revenue forecast for the ensuing biennium(~~(, or (B) the official~~
18 ~~general fund and related funds forecast for the second fiscal year of~~
19 ~~the current fiscal biennium, increased by 4.5 percent for each fiscal~~
20 ~~year of the ensuing biennium)~~).

21 (ii) "Projected maintenance level" means estimated appropriations
22 necessary to maintain the continuing costs of program and service
23 levels either funded in the governor's budget document or documents
24 submitted to the legislature or mandated by other state or federal
25 law, adjusted by the estimated cost of proposed executive branch
26 legislation, and the amount of any general fund moneys projected to
27 be transferred to the budget stabilization account pursuant to
28 Article VII, section 12 of the state Constitution. Proposed executive
29 branch legislation does not include proposals by institutions of
30 higher education, other separately elected officials, or other
31 boards, commissions, and offices not under the authority of the
32 governor that are not funded or assumed in the governor's budget
33 document or documents submitted to the legislature.

34 (iii) "Related funds" has the meaning defined in RCW 43.88.055.

35 (d) (b) of this subsection (5) does not apply:

36 (i) To any governor-proposed legislation submitted to the
37 legislature that makes net reductions in general fund and related
38 funds appropriations to prevent the governor from making across-the-
39 board reductions in allotments for these particular funds as provided
40 in RCW 43.88.110(10); or

1 (ii) In a fiscal biennium for which the governor proposes
2 appropriations from the budget stabilization account pursuant to
3 Article VII, section 12(d)(ii) of the state Constitution.

4 (6) A separate capital budget document or schedule shall be
5 submitted that will contain the following:

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

9 (b) A capital program consisting of proposed capital projects for
10 the next biennium and the two biennia succeeding the next biennium
11 consistent with the long-range facilities plan. Inasmuch as is
12 practical, and recognizing emergent needs, the capital program shall
13 reflect the priorities, projects, and spending levels proposed in
14 previously submitted capital budget documents in order to provide a
15 reliable long-range planning tool for the legislature and state
16 agencies;

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

19 (d) A strategic plan for reducing backlogs of maintenance and
20 repair projects. The plan shall include a prioritized list of
21 specific facility deficiencies and capital projects to address the
22 deficiencies for each agency, cost estimates for each project, a
23 schedule for completing projects over a reasonable period of time,
24 and identification of normal maintenance activities to reduce future
25 backlogs;

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

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

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

31 (h) Estimated total project cost;

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

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

40 (k) Estimated ensuing biennium costs;

1 (l) Estimated costs beyond the ensuing biennium;

2 (m) Estimated construction start and completion dates;

3 (n) Source and type of funds proposed;

4 (o) Estimated ongoing operating budget costs or savings resulting

5 from the project, including staffing and maintenance costs;

6 (p) For any capital appropriation requested for a state agency

7 for the acquisition of land or the capital improvement of land in

8 which the primary purpose of the acquisition or improvement is

9 recreation or wildlife habitat conservation, the capital budget

10 document, or an omnibus list of recreation and habitat acquisitions

11 provided with the governor's budget document, shall identify the

12 projected costs of operation and maintenance for at least the two

13 biennia succeeding the next biennium. Omnibus lists of habitat and

14 recreation land acquisitions shall include individual project cost

15 estimates for operation and maintenance as well as a total for all

16 state projects included in the list. The document shall identify the

17 source of funds from which the operation and maintenance costs are

18 proposed to be funded;

19 (q) For any capital budget request for funding in the 2023-2025

20 or 2025-2027 fiscal biennia by an institution of higher education to

21 address a cost increase for any major project, a statement describing

22 the unexpected project costs, ways the agency has mitigated or will

23 mitigate the estimated project costs, and identification of other

24 funding that may be applied to the project. For purposes of this

25 subsection (6) (q):

26 (i) "Cost increases" means total project costs estimated above

27 those listed in the prior agency budget request and for which the

28 legislature relied in making a funding decision for design or

29 construction, adjusted for C-100 inflation factors; and

30 (ii) "Institution of higher education" has the meaning provided

31 in RCW 28B.10.016;

32 (r) Such other information bearing upon capital projects as the

33 governor deems to be useful;

34 (s) Standard terms, including a standard and uniform definition

35 of normal maintenance, for all capital projects; and

36 (t) Such other information as the legislature may direct by law

37 or concurrent resolution.

38 For purposes of this subsection (6), the term "capital project"

39 shall be defined subsequent to the analysis, findings, and

40 recommendations of a joint committee comprised of representatives

1 from the house capital appropriations committee, senate ways and
2 means committee, legislative evaluation and accountability program
3 committee, and office of financial management.

4 (7) No change affecting the comparability of agency or program
5 information relating to expenditures, revenues, workload, performance
6 and personnel shall be made in the format of any budget document or
7 report presented to the legislature under this section or RCW
8 43.88.160(1) relative to the format of the budget document or report
9 which was presented to the previous regular session of the
10 legislature during an odd-numbered year without prior legislative
11 concurrence. Prior legislative concurrence shall consist of (a) a
12 favorable majority vote on the proposal by the standing committees on
13 ways and means of both houses if the legislature is in session or (b)
14 a favorable majority vote on the proposal by members of the
15 legislative evaluation and accountability program committee if the
16 legislature is not in session.

17 **Sec. 2.** RCW 43.88.055 and 2021 c 199 s 103 are each amended to
18 read as follows:

19 (1) The legislature must adopt a four-year balanced budget as
20 follows:

21 (a) Beginning in the 2013-2015 fiscal biennium, the legislature
22 shall enact a balanced omnibus operating appropriations bill that
23 leaves, in total, a positive ending fund balance in the general fund
24 and related funds.

25 (b) Beginning in the 2013-2015 fiscal biennium, the projected
26 maintenance level of the omnibus appropriations bill enacted by the
27 legislature shall not exceed the available fiscal resources for the
28 next ensuing fiscal biennium.

29 (2) For purposes of this section:

30 (a) "Available fiscal resources" means the beginning general fund
31 and related fund balances and any fiscal resources estimated for the
32 general fund and related funds, adjusted for enacted legislation, and
33 with forecasted revenues (~~(adjusted)~~) pursuant to (~~(the greater of~~
34 ~~(i))~~) the official general fund and related funds revenue forecast
35 for the ensuing biennium(~~(, or (ii) the official general fund and~~
36 ~~related funds forecast for the second fiscal year of the current~~
37 ~~fiscal biennium, increased by 4.5 percent for each fiscal year of the~~
38 ~~ensuing biennium))~~);

1 (b) "Projected maintenance level" means estimated appropriations
2 necessary to maintain the continuing costs of program and service
3 levels either funded in that appropriations bill or mandated by other
4 state or federal law, and the amount of any general fund moneys
5 projected to be transferred to the budget stabilization account
6 pursuant to Article VII, section 12 of the state Constitution;

7 (c) "Related funds," as used in this section, means the
8 Washington opportunity pathways account, the workforce education
9 investment account, the fair start for kids account, and the
10 education legacy trust account.

11 (3) Subsection (1)(a) and (b) of this section does not apply to
12 an appropriations bill that makes net reductions in general fund and
13 related funds appropriations and is enacted between July 1st and
14 February 15th of any fiscal year.

15 (4) Subsection (1)(b) of this section does not apply in a fiscal
16 biennium in which money is appropriated from the budget stabilization
17 account pursuant to Article VII, section 12(d)(ii) of the state
18 Constitution.

19 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
20 preservation of the public peace, health, or safety, or support of
21 the state government and its existing public institutions, and takes
22 effect immediately.

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