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**HOUSE BILL 2747**

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**State of Washington**

**69th Legislature**

**2026 Regular Session**

**By** Representatives Ormsby, Gregerson, Berg, Macri, and Salahuddin

Read first time 03/03/26. Referred to Committee on Appropriations.

1 AN ACT Relating to budget sustainability; and amending RCW  
2 43.88.030 and 43.88.055.

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

4 **Sec. 1.** RCW 43.88.030 and 2025 c 414 s 8034 are each amended to  
5 read as follows:

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

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

24 The budget document or documents shall also contain:

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

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

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

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

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

37 (f) The expenditures that include nonbudgeted, nonappropriated  
38 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 to the greater of  
16 (A) the official general fund and related funds revenue forecast for  
17 the ensuing biennium, or (B) the official general fund and related  
18 funds forecast for the second fiscal year of the current fiscal  
19 biennium, increased by 4.5 percent for each fiscal year of the  
20 ensuing biennium. For operating budgets proposed for the 2027-2029  
21 and 2029-2031 fiscal biennia, "available fiscal resources" means the  
22 beginning general fund and related funds balances and any fiscal  
23 resources estimated for the general fund and related funds, adjusted  
24 for proposed revenue legislation, and with forecasted revenues based  
25 on the official general fund revenue forecast.

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

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

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

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

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

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

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

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

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

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

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

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

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

36 (h) Estimated total project cost;

37 (i) For major projects valued over five million dollars,  
38 estimated costs for the following project components: Acquisition,  
39 consultant services, construction, equipment, project management, and  
40 other costs included as part of the project. Project component costs

1 shall be displayed in a standard format defined by the office of  
2 financial management to allow comparisons between projects;

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

5 (k) Estimated ensuing biennium costs;

6 (l) Estimated costs beyond the ensuing biennium;

7 (m) Estimated construction start and completion dates;

8 (n) Source and type of funds proposed;

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

11 (p) For any capital appropriation requested for a state agency  
12 for the acquisition of land or the capital improvement of land in  
13 which the primary purpose of the acquisition or improvement is  
14 recreation or wildlife habitat conservation, the capital budget  
15 document, or an omnibus list of recreation and habitat acquisitions  
16 provided with the governor's budget document, shall identify the  
17 projected costs of operation and maintenance for at least the two  
18 biennia succeeding the next biennium. Omnibus lists of habitat and  
19 recreation land acquisitions shall include individual project cost  
20 estimates for operation and maintenance as well as a total for all  
21 state projects included in the list. The document shall identify the  
22 source of funds from which the operation and maintenance costs are  
23 proposed to be funded;

24 (q) For any capital budget request for funding in the 2025-2027  
25 or 2027-2029 fiscal biennia for which the project cost is  
26 substantially increased, a statement detailing the amount and reason  
27 for the additional cost. If the increased cost is the result of a  
28 change in design, the agency must also submit a construction cost  
29 estimate for the design as originally submitted. For purposes of this  
30 subsection (6)(q), "substantially increased" means total estimated  
31 project costs are more than 15 percent above those listed in the  
32 prior agency budget request and for which the legislature relied in  
33 making a funding decision for design or construction, adjusted for  
34 C-100 inflation factors;

35 (r) Such other information bearing upon capital projects as the  
36 governor deems to be useful;

37 (s) Standard terms, including a standard and uniform definition  
38 of normal maintenance, for all capital projects; and

39 (t) Such other information as the legislature may direct by law  
40 or concurrent resolution.

1 For purposes of this subsection (6), the term "capital project"  
2 shall be defined subsequent to the analysis, findings, and  
3 recommendations of a joint committee comprised of representatives  
4 from the house capital appropriations committee, senate ways and  
5 means committee, legislative evaluation and accountability program  
6 committee, and office of financial management.

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

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

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

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

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

32 (2) For purposes of this section:

33 (a) "Available fiscal resources" means the beginning general fund  
34 and related fund balances and any fiscal resources estimated for the  
35 general fund and related funds, adjusted for enacted legislation, and  
36 with forecasted revenues adjusted to the greater of (i) the official  
37 general fund and related funds revenue forecast for the ensuing  
38 biennium, or (ii) the official general fund and related funds  
39 forecast for the second fiscal year of the current fiscal biennium,

1 increased by 4.5 percent for each fiscal year of the ensuing  
2 biennium((†)). However, for operating budgets enacted by the  
3 legislature for the 2027-2029 and 2029-2031 fiscal biennia,  
4 "available fiscal resources" means the beginning general fund and  
5 related funds balances and any fiscal resources estimated for the  
6 general fund and related funds, adjusted for revenue legislation, and  
7 with forecasted revenues based on the official general fund revenue  
8 forecast.

9 (b) "Projected maintenance level" means estimated appropriations  
10 necessary to maintain the continuing costs of program and service  
11 levels either funded in that appropriations bill or mandated by other  
12 state or federal law, and the amount of any general fund moneys  
13 projected to be transferred to the budget stabilization account  
14 pursuant to Article VII, section 12 of the state Constitution((†)).

15 (c) "Related funds," as used in this section, means the  
16 Washington opportunity pathways account, the workforce education  
17 investment account, the fair start for kids account, and the  
18 education legacy trust account.

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

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

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