

Chapter 43.88 RCW
STATE BUDGETING, ACCOUNTING, AND REPORTING SYSTEM

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Agreements and transactions between state agencies, charges, credits, transfers, and advances: RCW 39.34.130 through 39.34.170.

Debts owed state: RCW 43.17.240.

Director of financial management: Chapter 43.41 RCW.

Expenditure limit under Initiative 601: Chapter 43.135 RCW.

Funds subject to council for children and families: RCW 43.121.100.

Investments and interfund loans: Chapter 43.84 RCW.

Post-audit: RCW 43.09.290 through 43.09.330.

Reporting periods: RCW 43.01.035.

State board for community and technical colleges: RCW 28B.50.070.

State finance committee: Chapter 43.33 RCW.

State payroll revolving account, agency payroll revolving fund: RCW 42.16.010 through 42.16.017.

Washington statewide reentry council—Performance audits: RCW 43.380.080.

RCW 43.88.005 Finding—Intent. The legislature finds that agency missions, goals, and objectives should focus on statewide results. It is the intent of the legislature to focus the biennial budget on how state agencies produce real results that reflect the goals of statutory programs. Specifically, budget managers and the legislature must have the data to move toward better statewide results that produce the intended public benefit. This data must be supplied in an impartial, quantifiable form, and demonstrate progress toward statewide results. With a renewed focus on achieving true results, state agencies, the office of financial management, and the legislature will be able to prioritize state resources. [2005 c 386 § 1.]

RCW 43.88.010 Purpose—Intent. It is the purpose of this chapter to establish an effective state budgeting, accounting, and reporting system for all activities of the state government, including both capital and operating expenditures; to prescribe the powers and duties of the governor as these relate to securing such fiscal controls as will promote effective budget administration; and to prescribe the responsibilities of agencies of the executive branch of the state government.

It is the intent of the legislature that the powers conferred by this chapter, as amended, shall be exercised by the executive in cooperation with the legislature and its standing, special, and interim committees in its status as a separate and coequal branch of state government. [1986 c 215 § 1; 1981 c 270 § 1; 1973 1st ex.s. c 100 § 1; 1965 c 8 § 43.88.010. Prior: 1959 c 328 § 1.]

Effective date—1981 c 270: "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1981." [1981 c 270 § 18.]

Severability—1981 c 270: "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1981 c 270 § 17.]

RCW 43.88.020 Definitions. (1) "Administrative expenses" means expenditures for: (a) Salaries, wages, and related costs of personnel and (b) operations and maintenance including but not limited to costs of supplies, materials, services, and equipment.

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

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

(4) "Annual growth rate in real personal income" means the estimated percentage growth in personal income for the state during the current fiscal year, expressed in constant value dollars, as published by the office of financial management or its successor agency.

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

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

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

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

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

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

(11) "Estimated revenues" means estimates of revenue in the most recent official economic, revenue, and transportation revenue forecasts, prepared under RCW 82.33.020.

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

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

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

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

(16) "Lapse" means the termination of authority to expend an appropriation.

(17) "Legislative fiscal committees" means the joint legislative audit and review committee, the legislative evaluation and accountability program committee, and the ways and means and transportation committees of the senate and house of representatives.

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

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

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

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

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

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

(24) "State budgeting, accounting, and reporting system" means a system that gathers, maintains, and communicates fiscal information. The system links fiscal information beginning with development of agency budget requests through adoption of legislative appropriations to tracking actual receipts and expenditures against approved plans.

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

(26) "Statement of proposed expenditures" means a plan prepared by each agency that breaks each appropriation out into monthly detail

representing the best estimate of how the appropriation will be expended.

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

(28) "Undesignated fund balance (or deficit)" means unreserved and undesignated current assets or other resources available for expenditure over and above any current liabilities which are expected to be incurred by the close of the fiscal period. [2023 c 390 § 5; 2005 c 319 § 107; 2000 2nd sp.s. c 4 § 11; 1996 c 288 § 23; 1995 c 155 § 1; 1994 c 184 § 9; 1993 c 406 § 2; 1991 c 358 § 6; 1990 c 229 § 4; 1987 c 502 § 1; 1986 c 215 § 2; 1984 c 138 § 6; 1982 1st ex.s. c 36 § 1. Prior: 1981 c 280 § 6; 1981 c 270 § 2; 1980 c 87 § 25; 1979 c 151 § 135; 1975-'76 2nd ex.s. c 83 § 4; 1973 1st ex.s. c 100 § 2; 1969 ex.s. c 239 § 9; 1965 c 8 § 43.88.020; prior: 1959 c 328 § 2.]

Reviser's note: The definitions in this section have been alphabetized pursuant to RCW 1.08.015(2)(k).

Findings—Intent—Part headings—Effective dates—2005 c 319: See notes following RCW 43.17.020.

Short title—1993 c 406: "This act may be known and cited as the performance-based government act of 1993." [1993 c 406 § 7.]

Effective date—1991 c 358: See note following RCW 43.88.030.

Effective date—1990 c 229: See note following RCW 41.06.087.

Effective date—1981 c 280: "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1981." [1981 c 280 § 10.]

Severability—1981 c 280: "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1981 c 280 § 9.]

Effective date—Severability—1981 c 270: See notes following RCW 43.88.010.

Office of financial management: Chapter 43.41 RCW.

RCW 43.88.025 "Director" defined. Unless the context clearly requires a different interpretation, whenever "director" is used in this chapter, it shall mean the director of financial management created in RCW 43.41.060. [1979 c 151 § 136; 1969 ex.s. c 239 § 10.]

RCW 43.88.027 Annual financial report. The governor, through the director, shall prepare and publish within six months of the end of the fiscal year, as a matter of public record, an annual financial

report that encompasses all funds and account groups of the state.
[1984 c 247 § 2.]

RCW 43.88.030 Instructions for submitting budget requests—Content of the budget document or documents—Separate budget document or schedules—Format changes. (1) The director of financial management shall provide all agencies with a complete set of instructions for submitting biennial budget requests to the director at least three months before agency budget documents are due into the office of financial management. The budget document or documents shall consist of the governor's budget message which shall be explanatory of the budget and shall contain an outline of the proposed financial policies of the state for the ensuing fiscal period, as well as an outline of the proposed six-year financial policies where applicable, and shall describe in connection therewith the important features of the budget. The biennial budget document or documents shall also describe performance indicators that demonstrate measurable progress towards priority results. The message shall set forth the reasons for salient changes from the previous fiscal period in expenditure and revenue items and shall explain any major changes in financial policy. Attached to the budget message shall be such supporting schedules, exhibits and other explanatory material in respect to both current operations and capital improvements as the governor shall deem to be useful to the legislature. The budget document or documents shall set forth a proposal for expenditures in the ensuing fiscal period, or six-year period where applicable, based upon the estimated revenues and caseloads as approved by the economic and revenue forecast council and caseload forecast council or upon the estimated revenues and caseloads of the office of financial management for those funds, accounts, sources, and programs for which the forecast councils do not prepare an official forecast. Revenues shall be estimated for such fiscal period from the source and at the rates existing by law at the time of submission of the budget document, including the supplemental budgets submitted in the even-numbered years of a biennium. However, the estimated revenues and caseloads for use in the governor's budget document may be adjusted to reflect budgetary revenue transfers and revenue and caseload estimates dependent upon budgetary assumptions of enrollments, workloads, and caseloads. All adjustments to the approved estimated revenues and caseloads must be set forth in the budget document. The governor may additionally submit, as an appendix to each supplemental, biennial, or six-year agency budget or to the budget document or documents, a proposal for expenditures in the ensuing fiscal period from revenue sources derived from proposed changes in existing statutes.

The budget document or documents shall also contain:

- (a) Revenues classified by fund and source for the immediately past fiscal period, those received or anticipated for the current fiscal period, and those anticipated for the ensuing biennium;
- (b) The undesignated fund balance or deficit, by fund;
- (c) Such additional information dealing with expenditures, revenues, workload, performance, and personnel as the legislature may direct by law or concurrent resolution;
- (d) Such additional information dealing with revenues and expenditures as the governor shall deem pertinent and useful to the legislature;

- (e) Tabulations showing expenditures classified by fund, function, and agency;
 - (f) The expenditures that include nonbudgeted, nonappropriated accounts outside the state treasury;
 - (g) Identification of all proposed direct expenditures to implement the Puget Sound water quality plan under chapter 90.71 RCW, shown by agency and in total; and
 - (h) Tabulations showing each postretirement adjustment by retirement system established after fiscal year 1991, to include, but not be limited to, estimated total payments made to the end of the previous biennial period, estimated payments for the present biennium, and estimated payments for the ensuing biennium.
- (2) The budget document or documents shall include detailed estimates of all anticipated revenues applicable to proposed operating or capital expenditures and shall also include all proposed operating or capital expenditures. The total of beginning undesignated fund balance and estimated revenues less working capital and other reserves shall equal or exceed the total of proposed applicable expenditures. The budget document or documents shall further include:
- (a) Interest, amortization and redemption charges on the state debt;
 - (b) Payments of all reliefs, judgments, and claims;
 - (c) Other statutory expenditures;
 - (d) Expenditures incident to the operation for each agency;
 - (e) Revenues derived from agency operations;
 - (f) Expenditures and revenues shall be given in comparative form showing those incurred or received for the immediately past fiscal period and those anticipated for the current biennium and next ensuing biennium;
 - (g) A showing and explanation of amounts of general fund and other funds obligations for debt service and any transfers of moneys that otherwise would have been available for appropriation;
 - (h) Common school expenditures on a fiscal-year basis;
 - (i) A showing, by agency, of the value and purpose of financing contracts for the lease/purchase or acquisition of personal or real property for the current and ensuing fiscal periods; and
 - (j) A showing and explanation of anticipated amounts of general fund and other funds required to amortize the unfunded actuarial accrued liability of the retirement system specified under chapter 41.45 RCW, and the contributions to meet such amortization, stated in total dollars and as a level percentage of total compensation.
- (3) The governor's operating budget document or documents shall reflect the statewide priorities as required by RCW 43.88.090.
- (4) The governor's operating budget document or documents shall identify activities that are not addressing the statewide priorities.
- (5)(a) Beginning in the 2021-2023 fiscal biennium, the governor's operating budget document or documents submitted to the legislature must leave, in total, a positive ending fund balance in the general fund and related funds.
- (b) Beginning in the 2021-2023 fiscal biennium, the projected maintenance level of the governor's operating budget document or documents submitted to the legislature must not exceed the available fiscal resources for the next ensuing fiscal biennium.
 - (c) For purposes of this subsection:
 - (i) "Available fiscal resources" means the beginning general fund and related funds balances and any fiscal resources estimated for the general fund and related funds, adjusted for proposed revenue

legislation, and with forecasted revenues adjusted to the greater of (A) the official general fund and related funds revenue forecast for the ensuing biennium, or (B) the official general fund and related funds forecast for the second fiscal year of the current fiscal biennium, increased by 4.5 percent for each fiscal year of the ensuing biennium.

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

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

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

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

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

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

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

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

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

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

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

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

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

(h) Estimated total project cost;

- (i) For major projects valued over five million dollars, estimated costs for the following project components: Acquisition, consultant services, construction, equipment, project management, and other costs included as part of the project. Project component costs shall be displayed in a standard format defined by the office of financial management to allow comparisons between projects;
- (j) Estimated total project cost for each phase of the project as defined by the office of financial management;
- (k) Estimated ensuing biennium costs;
- (l) Estimated costs beyond the ensuing biennium;
- (m) Estimated construction start and completion dates;
- (n) Source and type of funds proposed;
- (o) Estimated ongoing operating budget costs or savings resulting from the project, including staffing and maintenance costs;
- (p) For any capital appropriation requested for a state agency for the acquisition of land or the capital improvement of land in which the primary purpose of the acquisition or improvement is recreation or wildlife habitat conservation, the capital budget document, or an omnibus list of recreation and habitat acquisitions provided with the governor's budget document, shall identify the projected costs of operation and maintenance for at least the two biennia succeeding the next biennium. Omnibus lists of habitat and recreation land acquisitions shall include individual project cost estimates for operation and maintenance as well as a total for all state projects included in the list. The document shall identify the source of funds from which the operation and maintenance costs are proposed to be funded;
- (q) For any capital budget request for funding in the 2023-2025 or 2025-2027 fiscal biennia by an institution of higher education to address a cost increase for any major project, a statement describing the unexpected project costs, ways the agency has mitigated or will mitigate the estimated project costs, and identification of other funding that may be applied to the project. For purposes of this subsection (6) (q):
- (i) "Cost increases" means total project costs estimated above those listed in the prior agency budget request and for which the legislature relied in making a funding decision for design or construction, adjusted for C-100 inflation factors; and
- (ii) "Institution of higher education" has the meaning provided in RCW 28B.10.016;
- (r) Such other information bearing upon capital projects as the governor deems to be useful;
- (s) Standard terms, including a standard and uniform definition of normal maintenance, for all capital projects; and
- (t) Such other information as the legislature may direct by law or concurrent resolution.
- For purposes of this subsection (6), the term "capital project" shall be defined subsequent to the analysis, findings, and recommendations of a joint committee comprised of representatives from the house capital appropriations committee, senate ways and means committee, legislative evaluation and accountability program committee, and office of financial management.
- (7) No change affecting the comparability of agency or program information relating to expenditures, revenues, workload, performance and personnel shall be made in the format of any budget document or report presented to the legislature under this section or RCW 43.88.160(1) relative to the format of the budget document or report

which was presented to the previous regular session of the legislature during an odd-numbered year without prior legislative concurrence. Prior legislative concurrence shall consist of (a) a favorable majority vote on the proposal by the standing committees on ways and means of both houses if the legislature is in session or (b) a favorable majority vote on the proposal by members of the legislative evaluation and accountability program committee if the legislature is not in session. [2023 c 474 § 8035; 2020 c 218 § 1; 2006 c 334 § 43. Prior: 2005 c 386 § 3; 2005 c 319 § 108; 2004 c 276 § 908; 2002 c 371 § 911; 2000 2nd sp.s. c 4 § 12; 1998 c 346 § 910; prior: 1997 c 168 § 5; 1997 c 96 § 4; prior: 1994 c 247 § 7; 1994 c 219 § 2; prior: 1991 c 358 § 1; 1991 c 284 § 1; 1990 c 115 § 1; prior: 1989 c 311 § 3; 1989 c 11 § 18; 1987 c 502 § 2; prior: 1986 c 215 § 3; 1986 c 112 § 1; 1984 c 138 § 7; 1981 c 270 § 3; 1980 c 87 § 26; 1977 ex.s. c 247 § 1; 1973 1st ex.s. c 100 § 3; 1965 c 8 § 43.88.030; prior: 1959 c 328 § 3.]

Conflict with federal requirements—Effective date—2023 c 474:

See notes following RCW 28A.320.330.

Effective date—2020 c 218: "This act takes effect July 1, 2020."

[2020 c 218 § 7.]

Effective date—2006 c 334: See note following RCW 47.01.051.

Findings—Intent—Part headings—Effective dates—2005 c 319: See notes following RCW 43.17.020.

Severability—Effective date—2004 c 276: See notes following RCW 43.330.167.

Severability—Effective date—2002 c 371: See notes following RCW 9.46.100.

Construction—Severability—Effective date—1998 c 346: See notes following RCW 50.24.014.

Effective date—1997 c 168: See RCW 43.88C.900.

Findings—Purpose—1997 c 96: See note following RCW 43.82.150.

Effective date—1994 c 247: See note following RCW 41.32.4991.

Finding—1994 c 219: "The legislature finds that the acquisition, construction, and management of state-owned and leased facilities has a profound and long-range effect upon the delivery and cost of state programs, and that there is an increasing need for better facility planning and management to improve the effectiveness and efficiency of state facilities." [1994 c 219 § 1.]

Effective date—1991 c 358: "This act shall take effect April 1, 1992." [1991 c 358 § 8.]

Severability—1989 c 11: See note following RCW 9A.56.220.

RCW 43.88.0301 Capital budget instructions—Additional information—Staff support from office of community development. (1) The office of financial management must include in its capital budget instructions, beginning with its instructions for the 2003-05 capital budget, a request for "yes" or "no" answers for the following additional informational questions from capital budget applicants for all proposed major capital construction projects valued over 10 million dollars and required to complete a predesign:

(a) For proposed capital projects identified in this subsection that are located in or serving city or county planning under RCW 36.70A.040:

(i) Whether the proposed capital project is identified in the host city or county comprehensive plan, including the capital facility plan, and implementing rules adopted under chapter 36.70A RCW;

(ii) Whether the proposed capital project is located within an adopted urban growth area:

(A) If at all located within an adopted urban growth area boundary, whether a project facilitates, accommodates, or attracts planned population and employment growth;

(B) If at all located outside an urban growth area boundary, whether the proposed capital project may create pressures for additional development;

(b) For proposed capital projects identified in this subsection that are requesting state funding:

(i) Whether there was regional coordination during project development;

(ii) Whether local and additional funds were leveraged;

(iii) Whether environmental outcomes and the reduction of adverse environmental impacts were examined.

(2) For projects subject to subsection (1) of this section, the office of financial management shall request the required information be provided during the predesign process of major capital construction projects to reduce long-term costs and increase process efficiency.

(3) The office of financial management, in fulfilling its duties under RCW 43.88.030(6) to create a capital budget document, must take into account information gathered under subsections (1) and (2) of this section in an effort to promote state capital facility expenditures that minimize unplanned or uncoordinated infrastructure and development costs, support economic and quality of life benefits for existing communities, and support local government planning efforts.

(4) The office of community development must provide staff support to the office of financial management and affected capital budget applicants to help collect data required by subsections (1) and (2) of this section. [2021 c 54 § 4; 2017 3rd sp.s. c 25 § 2; 2002 c 312 § 1.]

Findings—Intent—2021 c 54: See note following RCW 43.88.110.

RCW 43.88.031 Capital appropriation bill—Estimated general fund debt service costs. A capital appropriation bill shall include the estimated general fund debt service costs associated with new capital appropriations contained in that bill for the biennia in which the appropriations occur and for the succeeding two biennia. [1991 c 284 § 2.]

RCW 43.88.032 Maintenance costs, operating budget—Debt-financed pass-through money, budget document. (1) Normal maintenance costs shall be programmed in the operating budget rather than in the capital budget.

(2) All debt-financed pass-through money to local governments shall be programmed and separately identified in the budget document. [1997 c 96 § 5; (2005 c 488 § 921 expired June 30, 2007); (2003 1st sp.s. c 26 § 921 expired June 30, 2005); 1994 c 219 § 4; 1989 c 311 § 1.]

Expiration date—2005 c 488 §§ 920 and 921: See note following RCW 43.135.045.

Part headings not law—Severability—Effective dates—2005 c 488: See notes following RCW 28B.50.360.

Expiration date—Severability—Effective dates—2003 1st sp.s. c 26: See notes following RCW 43.135.045.

Findings—Purpose—1997 c 96: See note following RCW 43.82.150.

Finding—1994 c 219: See note following RCW 43.88.030.

RCW 43.88.033 State expenditure limit—Budget document to reflect. The budget document submitted by the governor to the legislature under RCW 43.88.030 shall reflect the state expenditure limit established under chapter 43.135 RCW and shall not propose expenditures in excess of that limit. [1994 c 2 § 7 (Initiative Measure No. 601, approved November 2, 1993).]

RCW 43.88.035 Changes in accounting methods, practices or statutes—Explanation in budget document or appendix required—Contents. Any changes in accounting methods and practices or in statutes affecting expenditures or revenues for the ensuing biennium relative to the then current fiscal period which the governor may wish to recommend shall be clearly and completely explained in the text of the budget document, in a special appendix thereto, or in an alternative budget document. This explanatory material shall include, but need not be limited to, estimates of revenues and expenditures based on the same accounting practices and methods and existing statutes relating to revenues and expenditure effective for the then current fiscal period, together with alternative estimates required by any changes in accounting methods and practices and by any statutory changes the governor may wish to recommend. [1973 1st ex.s. c 100 § 9.]

RCW 43.88.037 Comprehensive budgeting, accounting, and reporting system conforming to generally accepted accounting principles—Budget document to conform. (1) The director of financial management shall devise and maintain a comprehensive budgeting, accounting, and reporting system in conformance with generally accepted accounting principles applicable to state governments, as published in the accounting procedures manual pursuant to RCW 43.88.160(1).

(2) The director of financial management shall submit a budget document in conformance with generally accepted accounting principles applicable to state governments, as published in the accounting procedures manual pursuant to RCW 43.88.160(1). [1987 c 502 § 3; 1984 c 247 § 1.]

RCW 43.88.050 Cash deficit. Cash deficit of the current fiscal period is defined for purposes of this chapter as the amount by which the aggregate of disbursements charged to a fund will exceed the aggregate of estimated receipts credited to such fund in the current fiscal period, less the extent to which such deficit may have been provided for from available beginning cash surplus.

If, for any applicable fund or account, the estimated receipts for the next ensuing period plus cash beginning balances is less than the aggregate of estimated disbursements proposed by the governor for the next ensuing fiscal period, the governor shall include in Part I of the budget document proposals as to the manner in which the anticipated cash deficit shall be met, whether by an increase in the indebtedness of the state, by the imposition of new taxes, by increases in tax rates or an extension thereof, or in any like manner. The governor may propose orderly liquidation of the anticipated cash deficit over a period of one or more fiscal periods, if, in the governor's discretion, such manner of liquidation would best serve the public interest. [1987 c 502 § 4; 1965 c 8 § 43.88.050. Prior: 1959 c 328 § 5.]

Exception: RCW 43.88.265.

RCW 43.88.055 Legislative balanced budget requirement. (1) The legislature must adopt a four-year balanced budget as follows:

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

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

(2) For purposes of this section:

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

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

(c) "Related funds," as used in this section, means the Washington opportunity pathways account, the workforce education

investment account, the fair start for kids account, and the education legacy trust account.

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

(4) Subsection (1)(b) of this section does not apply in a fiscal biennium in which money is appropriated from the budget stabilization account pursuant to Article VII, section 12(d)(ii) of the state Constitution. [2021 c 199 § 103; 2020 c 218 § 2; 2012 1st sp.s. c 8 § 1.]

Short title—Findings—Intent—Conflict with federal requirements—2021 c 199: See notes following RCW 43.216.770.

Effective date—2020 c 218: See note following RCW 43.88.030.

RCW 43.88.058 Maintenance level costs—Services for children.

For the purposes of this chapter, expenditures for the following services must be forecasted and budgeted as maintenance level costs:

- (1) Behavioral rehabilitation services placements;
- (2) Social worker and related staff to receive, refer, and respond to screened-in reports of child abuse or neglect;
- (3) Court-ordered parent-child and sibling visitations delivered by contractors;
- (4) Those activities currently being treated as maintenance level costs for budgeting or forecasting purposes on June 7, 2018, including, but not limited to: (a) Adoption support and other adoption-related expenses; (b) foster care maintenance payments; (c) child-placing agency management fees; (d) support goods such as clothing vouchers; (e) child aides; and (f) child care for children in foster or relative placements when the caregiver is at work or in school; and
- (5) Developmental disability waiver slots that are anticipated to be utilized by individuals eligible for a medicaid waiver service under RCW 71A.12.370. [2023 c 345 § 2; 2021 c 334 § 1904; 2018 c 208 § 5.]

Conflict with federal requirements—Effective date—2021 c 334: See notes following RCW 43.79.555.

RCW 43.88.060 Legislative review of budget document and budget bill or bills—Time for submission. The governor shall submit the budget document for the 1975-77 biennium and each succeeding biennium to the legislature no later than the twentieth day of December in the year preceding the session during which the budget is to be considered: PROVIDED, That where a budget document is submitted for a fiscal period other than a biennium, such document shall be submitted no less than twenty days prior to the first day of the session at which such budget document is to be considered. The governor shall also submit a budget bill or bills which for purposes of this chapter is defined to mean the appropriations proposed by the governor as set forth in the budget document. Such representatives of agencies as have been designated by the governor for this purpose shall, when

requested, by either house of the legislature, appear to be heard with respect to the budget document and the budget bill or bills and to supply such additional information as may be required. [1977 ex.s. c 247 § 2; 1973 1st ex.s. c 100 § 4; 1965 c 8 § 43.88.060. Prior: 1959 c 328 § 6.]

RCW 43.88.070 Appropriations. Appropriations shall be deemed maximum authorizations to incur expenditures but the governor shall exercise all due supervision and control to ensure that expenditure rates are such that program objectives are realized within these maximums. [1965 c 8 § 43.88.070. Prior: 1959 c 328 § 7.]

RCW 43.88.080 Adoption of budget. Adoption of the omnibus appropriation bill or bills by the legislature shall constitute adoption of the budget and the making of appropriations therefor. A budget for state government shall be finally adopted not later than thirty calendar days prior to the beginning of the ensuing biennium. [1973 1st ex.s. c 100 § 5; 1965 c 8 § 43.88.080. Prior: 1959 c 328 § 8.]

RCW 43.88.090 Development of budget—Detailed estimates—Mission statement, measurable goals, quality and productivity objectives—Integration of strategic plans and performance assessment procedures—Reviews by office of financial management and consolidated technology services agency—Governor-elect input. (1) For purposes of developing budget proposals to the legislature, the governor shall have the power, and it shall be the governor's duty, to require from proper agency officials such detailed estimates and other information in such form and at such times as the governor shall direct. The governor shall communicate statewide priorities to agencies for use in developing biennial budget recommendations for their agency and shall seek public involvement and input on these priorities. The estimates for the legislature and the judiciary shall be transmitted to the governor and shall be included in the budget without revision. The estimates for state pension contributions shall be based on the rates provided in chapter 41.45 RCW. Copies of all such estimates shall be transmitted to the standing committees on ways and means of the house and senate at the same time as they are filed with the governor and the office of financial management.

The estimates shall include statements or tables which indicate, by agency, the state funds which are required for the receipt of federal matching revenues. The estimates shall be revised as necessary to reflect legislative enactments and adopted appropriations and shall be included with the initial biennial allotment submitted under RCW 43.88.110. The estimates must reflect that the agency considered any alternatives to reduce costs or improve service delivery identified in the findings of a performance audit of the agency by the joint legislative audit and review committee. Nothing in this subsection requires performance audit findings to be published as part of the budget.

(2) Each state agency shall define its mission and establish measurable goals for achieving desirable results for those who receive its services and the taxpayers who pay for those services. Each agency

shall also develop clear strategies and timelines to achieve its goals. This section does not require an agency to develop a new mission or goals in place of identifiable missions or goals that meet the intent of this section. The mission and goals of each agency must conform to statutory direction and limitations.

(3) For the purpose of assessing activity performance, each state agency shall establish quality and productivity objectives for each major activity in its budget. The objectives must be consistent with the missions and goals developed under this section. The objectives must be expressed to the extent practicable in outcome-based, objective, and measurable form unless an exception to adopt a different standard is granted by the office of financial management and approved by the legislative committee on performance review. Objectives must specifically address the statutory purpose or intent of the program or activity and focus on data that measure whether the agency is achieving or making progress toward the purpose of the activity and toward statewide priorities. The office of financial management shall provide necessary professional and technical assistance to assist state agencies in the development of strategic plans that include the mission of the agency and its programs, measurable goals, strategies, and performance measurement systems.

(4) Each state agency shall adopt procedures for and perform continuous self-assessment of each activity, using the mission, goals, objectives, and measurements required under subsections (2) and (3) of this section. The assessment of the activity must also include an evaluation of major information technology systems or projects that may assist the agency in achieving or making progress toward the activity purpose and statewide priorities. The evaluation of proposed major information technology systems or projects shall be in accordance with the standards and policies established by the technology services board. Agencies' progress toward the mission, goals, objectives, and measurements required by subsections (2) and (3) of this section is subject to review as set forth in this subsection.

(a) The office of financial management shall regularly conduct reviews of selected activities to analyze whether the objectives and measurements submitted by agencies demonstrate progress toward statewide results.

(b) The office of financial management shall consult with: (i) The four-year institutions of higher education in those reviews that involve four-year institutions of higher education; and (ii) the state board for community and technical colleges in those reviews that involve two-year institutions of higher education.

(c) The goal is for all major activities to receive at least one review each year.

(d) The consolidated technology services agency shall review major information technology systems in use by state agencies periodically.

(5) It is the policy of the legislature that each agency's budget recommendations must be directly linked to the agency's stated mission and program, quality, and productivity goals and objectives. Consistent with this policy, agency budget proposals must include integration of performance measures that allow objective determination of an activity's success in achieving its goals. When a review under subsection (4) of this section or other analysis determines that the agency's objectives demonstrate that the agency is making insufficient progress toward the goals of any particular program or is otherwise

underachieving or inefficient, the agency's budget request shall contain proposals to remedy or improve the selected programs. The office of financial management shall develop a plan to merge the budget development process with agency performance assessment procedures. The plan must include a schedule to integrate agency strategic plans and performance measures into agency budget requests and the governor's budget proposal over three fiscal biennia. The plan must identify those agencies that will implement the revised budget process in the 1997-1999 biennium, the 1999-2001 biennium, and the 2001-2003 biennium. In consultation with the legislative fiscal committees, the office of financial management shall recommend statutory and procedural modifications to the state's budget, accounting, and reporting systems to facilitate the performance assessment procedures and the merger of those procedures with the state budget process. The plan and recommended statutory and procedural modifications must be submitted to the legislative fiscal committees by September 30, 1996.

(6) In reviewing agency budget requests in order to prepare the governor's biennial budget request, the office of financial management shall consider the extent to which the agency's activities demonstrate progress toward the statewide budgeting priorities, along with any specific review conducted under subsection (4) of this section.

(7) In the year of the gubernatorial election, the governor shall invite the governor-elect or the governor-elect's designee to attend all hearings provided in RCW 43.88.100; and the governor shall furnish the governor-elect or the governor-elect's designee with such information as will enable the governor-elect or the governor-elect's designee to gain an understanding of the state's budget requirements. The governor-elect or the governor-elect's designee may ask such questions during the hearings and require such information as the governor-elect or the governor-elect's designee deems necessary and may make recommendations in connection with any item of the budget which, with the governor-elect's reasons therefor, shall be presented to the legislature in writing with the budget document. Copies of all such estimates and other required information shall also be submitted to the standing committees on ways and means of the house and senate. [2015 3rd sp.s. c 1 § 409; 2015 c 225 § 86; 2012 c 229 § 587; 2005 c 386 § 2; 1997 c 372 § 1; 1996 c 317 § 10; 1994 c 184 § 10; 1993 c 406 § 3; 1989 c 273 § 26; 1987 c 505 § 35; 1984 c 247 § 3; 1981 c 270 § 4; 1979 c 151 § 137; 1975 1st ex.s. c 293 § 5; 1973 1st ex.s. c 100 § 6; 1965 c 8 § 43.88.090. Prior: 1959 c 328 § 9.]

Effective date—2015 3rd sp.s. c 1 §§ 401-405, 409, 411, and 412:
See note following RCW 2.36.057.

Effective date—2012 c 229 §§ 101, 117, 401, 402, 501 through 594, 601 through 609, 701 through 708, 801 through 821, 902, and 904:
See note following RCW 28B.77.005.

Short title—1993 c 406: See note following RCW 43.88.020.

Effective date—Severability—1981 c 270: See notes following RCW 43.88.010.

RCW 43.88.092 Information technology budget detail—Information technology plan—Accounting method for information technology. (1) As part of the biennial budget process, the office of financial management shall collect from agencies, and agencies shall provide, information to produce reports, summaries, and budget detail sufficient to allow review, analysis, and documentation of all current and proposed expenditures for information technology by state agencies. Information technology budget detail must be included as part of the budget submittal documentation required pursuant to RCW 43.88.030.

(2) The office of financial management must collect, and present as part of the biennial budget documentation, information for all existing information technology projects as defined by technology services board policy. The office of financial management must work with the office of the state chief information officer to maximize the ability to draw this information from the information technology portfolio management data collected by the consolidated technology services agency. Connecting project information collected through the portfolio management process with financial data developed under subsection (1) of this section provides transparency regarding expenditure data for existing technology projects.

(3) The director of the consolidated technology services agency shall evaluate proposed information technology expenditures and establish priority ranking categories of the proposals. No more than one-third of the proposed expenditures shall be ranked in the highest priority category.

(4) The biennial budget documentation submitted by the office of financial management pursuant to RCW 43.88.030 must include an information technology plan and a technology budget for the state identifying current baseline funding for information technology, proposed and ongoing major information technology projects, and their associated costs. This plan and technology budget must be presented using a method similar to the capital budget, identifying project costs through stages of the project and across fiscal periods and biennia from project initiation to implementation. This information must be submitted electronically, in a format to be determined by the office of financial management and the legislative evaluation and accountability program committee.

(5) The office of financial management shall also institute a method of accounting for information technology-related expenditures, including creating common definitions for what constitutes an information technology investment.

(6) For the purposes of this section, "major information technology projects" includes projects that have a significant anticipated cost, complexity, or are of statewide significance, such as enterprise-level solutions, enterprise resource planning, and shared services initiatives. [2015 3rd sp.s. c 1 § 410; 2013 2nd sp.s. c 33 § 4; 2011 1st sp.s. c 43 § 733; 2010 c 282 § 3.]

Effective date—2015 3rd sp.s. c 1 §§ 101-109, 201-224, 406-408, 410, 501-507, 601, and 602: See note following RCW 43.105.007.

Effective date—Purpose—2011 1st sp.s. c 43: See notes following RCW 43.19.003.

RCW 43.88.096 Budget detail—Designated state agencies—Federal receipts reporting requirements. (1) As used in this section:

(a) "Designated state agency" means the department of social and health services, the department of health, the health care authority, the department of commerce, the department of ecology, the department of fish and wildlife, the office of the superintendent of public instruction, and the department of children, youth, and families.

(b) "Federal receipts" means the federal financial assistance, as defined in 31 U.S.C. Sec. 7501 on September 28, 2013, that is reported as part of a single audit.

(c) "Single audit" is as defined in 31 U.S.C. Sec. 7501 on September 28, 2013.

(2) Subject to subsection (3) of this section, a designated state agency shall prepare as part of the agency's biennial budget submittal under this chapter a report that:

(a) Reports the aggregate value of federal receipts the designated state agency estimated for the ensuing biennium;

(b) Calculates the percentage of the designated state agency's total budget for the ensuing biennium that constitutes federal receipts that the designated state agency received; and

(c) Develops plans for operating the designated state agency if there is a reduction of:

(i) Five percent or more in the federal receipts that the designated state agency receives; and

(ii) Twenty-five percent or more in the federal receipts that the designated state agency receives.

(3) The report required by subsection (2) of this section prepared by the superintendent of public instruction shall include the information required by subsection (2)(a) through (c) of this section for each school district within the state. [2017 3rd sp.s. c 6 § 227; 2013 2nd sp.s. c 32 § 1.]

Effective date—2017 3rd sp.s. c 6 §§ 102, 104-115, 201-227, 301-337, 401-419, 501-513, 801-803, and 805-822: See note following RCW 43.216.025.

Conflict with federal requirements—2017 3rd sp.s. c 6: See RCW 43.216.908.

RCW 43.88.100 Executive hearings. The governor may provide for hearings on all agency requests for expenditures to enable him or her to make determinations as to the need, value or usefulness of activities or programs requested by agencies. The governor may require the attendance of proper agency officials at his or her hearings and it shall be their duty to disclose such information as may be required to enable the governor to arrive at his or her final determination. [2009 c 549 § 5165; 1965 c 8 § 43.88.100. Prior: 1959 c 328 § 10.]

RCW 43.88.110 Expenditure programs—Allotments—Reserves—Monitor capital appropriations—Predesign review for major capital construction. This section sets forth the expenditure programs and the allotment and reserve procedures to be followed by the executive branch for public funds.

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

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

(3) Within forty-five days after the beginning of the fiscal period or within forty-five days after the governor signs the omnibus biennial appropriations act, whichever is later, all agencies shall submit to the governor a statement of proposed expenditures at such times and in such form as may be required by the governor.

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

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

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

(c) Comparisons of actual costs to estimated costs;

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

(e) Documentation of fund shifts between projects.

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

(5) Except as provided for under subsection (6) of this section, the office of financial management, prior to approving allotments for major capital construction projects valued over ten million dollars, shall institute procedures for reviewing such projects at the predesign stage that will reduce long-term costs and increase facility efficiency. The procedures shall include, but not be limited to, the following elements:

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

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

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

(6) The office of financial management may make an exception to some or all of the predesign requirements in subsection (5) of this section. The office of financial management shall report any exception to the fiscal committees of the legislature and include: (a) A description of the major capital project for which the predesign waiver is made; (b) an explanation of the reason for the waiver; and (c) a rough order of magnitude cost estimate for the project's design and construction.

(7) In deliberations related to submitting an exception under subsection (6) of this section, the office of financial management shall consider the following factors:

(a) Whether there is any determination to be made regarding the site of the project;

(b) Whether there is any determination to be made regarding whether the project will involve renovation, new construction, or both;

(c) Whether, within six years of submitting the request for funding, the agency has completed, or initiated the construction of, a substantially similar project;

(d) Whether there is any anticipated change to the project's program or the services to be delivered at the facility;

(e) Whether the requesting agency indicates that the project may not require some or all of the requirements in subsection (5) of this section due to a lack of complexity; and

(f) Whether any other factors related to project complexity or risk, as determined by the office of financial management, could reduce the need for, or scope of, a predesign.

(8) If under subsection (6) of this section, some or all of the predesign requirements under subsection (5) of this section are waived, the office of financial management may instead propose a professional project cost estimate instead of a request for predesign funding.

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

(10) If at any time during the fiscal period the governor projects a cash deficit in a particular fund or account as defined by RCW 43.88.050, the governor shall make across-the-board reductions in allotments for that particular fund or account so as to prevent a cash deficit, unless the legislature has directed the liquidation of the cash deficit over one or more fiscal periods. Except for the legislative and judicial branches and other agencies headed by elective officials, the governor shall review the statement of proposed operating expenditures for reasonableness and conformance with legislative intent. The governor may request corrections of proposed allotments submitted by the legislative and judicial branches and agencies headed by elective officials if those proposed allotments contain significant technical errors. Once the governor approves the proposed allotments, further revisions may at the request of the office of financial management or upon the agency's initiative be made on a quarterly basis and must be accompanied by an explanation of the reasons for significant changes. However, changes in appropriation level authorized by the legislature, changes required by across-the-board reductions mandated by the governor, changes caused by executive increases to spending authority, and changes caused by executive decreases to spending authority for failure to comply with the provisions of chapter 36.70A RCW may require additional revisions. Revisions shall not be made retroactively. However, the governor may assign to a reserve status any portion of an agency appropriation withheld as part of across-the-board reductions made by the governor and any portion of an agency appropriation conditioned on a contingent event by the appropriations act. The governor may remove these amounts from reserve status if the across-the-board reductions are subsequently modified or if the contingent event occurs. The director of financial management shall enter approved statements of proposed expenditures into the state budgeting, accounting, and reporting system within forty-five days after receipt of the proposed statements

from the agencies. If an agency or the director of financial management is unable to meet these requirements, the director of financial management shall provide a timely explanation in writing to the legislative fiscal committees.

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

(12) The director of financial management may exempt certain public funds from the allotment controls established under this chapter if it is not practical or necessary to allot the funds. Allotment control exemptions expire at the end of the fiscal biennium for which they are granted. The director of financial management shall report any exemptions granted under this subsection to the legislative fiscal committees. [2021 c 54 § 2; 2014 c 162 § 4; 2009 c 518 § 3; 2003 c 206 § 1; 1997 c 96 § 6; 1994 c 219 § 5. Prior: 1991 sp.s. c 32 § 27; 1991 c 358 § 2; 1987 c 502 § 5; 1986 c 215 § 4; 1984 c 138 § 8; 1983 1st ex.s. c 47 § 1; 1982 2nd ex.s. c 15 § 1; 1981 c 270 § 5; 1979 c 151 § 138; 1975 1st ex.s. c 293 § 6; 1965 c 8 § 43.88.110; prior: 1959 c 328 § 11.]

Findings—Intent—2021 c 54: "The legislature finds that predesigns are often done due to statutory requirements regardless of whether it is necessary to the capital project. The legislature also finds that the cost of unnecessary predesigns includes not only limited resources in the capital budget, but an extended project timeline. Therefore, the legislature intends to reduce the number of predesigns by raising the cost threshold and adding exceptions to the predesign requirements." [2021 c 54 § 1.]

Effective date—2003 c 206: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2003." [2003 c 206 § 2.]

Findings—Purpose—1997 c 96: See note following RCW 43.82.150.

Finding—1994 c 219: See note following RCW 43.88.030.

Section headings not law—1991 sp.s. c 32: See RCW 36.70A.902.

Effective date—1991 c 358: See note following RCW 43.88.030.

Severability—1982 2nd ex.s. c 15: "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1982 2nd ex.s. c 15 § 5.]

Effective date—Severability—1981 c 270: See notes following RCW 43.88.010.

Exception: RCW 43.88.265.

RCW 43.88.120 Revenue estimates. Each agency engaged in the collection of revenues shall prepare estimated revenues and estimated receipts for the current and ensuing biennium and shall submit the estimates to the director of financial management and the director of revenue at times and in the form specified by the directors, along with any other information which the directors may request. For those agencies required to develop six-year programs and financial plans under *RCW 44.40.070, six-year revenue estimates shall be submitted to the director of financial management and the transportation committees of the senate and the house of representatives unless the responsibility for reporting these revenue estimates is assumed elsewhere.

A copy of such revenue estimates shall be simultaneously submitted to the economic and revenue forecast work group when required by the office of the economic and revenue forecast council. [2000 2nd sp.s. c 4 § 13; 1991 c 358 § 3; 1987 c 502 § 6; 1984 c 138 § 10; 1981 c 270 § 8; 1973 1st ex.s. c 100 § 7; 1965 c 8 § 43.88.120. Prior: 1959 c 328 § 12.]

***Reviser's note:** RCW 44.40.070 was repealed by 2005 c 319 § 141.

Effective date—1991 c 358: See note following RCW 43.88.030.

Effective date—Severability—1981 c 270: See notes following RCW 43.88.010.

RCW 43.88.122 Transportation agency revenue forecasts—Variances. (Effective until July 1, 2024.) Where there are variances of revenue forecasts between the office of financial management and the transportation revenue forecast council, for those transportation agencies that are required to develop plans under *RCW 44.40.070, the office of financial management shall submit (1) a reconciliation of the differences between the revenue forecasts and (2) the assumptions used by the office of financial management to the transportation committees of the senate and the house of representatives. [2000 2nd sp.s. c 4 § 14; 1991 c 358 § 7.]

***Reviser's note:** RCW 44.40.070 was repealed by 2005 c 319 § 141.

Effective date—1991 c 358: See note following RCW 43.88.030.

RCW 43.88.125 Study of transportation-related funds or accounts—Coordination of activities. (Effective until July 1, 2024.) The standing committees on transportation of the house and senate shall, in coordination with the joint legislative audit and review committee, the legislative evaluation and accountability program committee, and the ways and means committees of the senate and house of representatives, ascertain, study, and analyze all available facts and matters relating or pertaining to sources of revenue, appropriations, expenditures, and financial condition of the motor vehicle fund and accounts thereof, the highway safety fund, and all other funds or accounts related to transportation programs of the state.

The joint legislative audit and review committee, the legislative evaluation and accountability program committee, and the ways and means committees of the senate and house of representatives shall coordinate their activities with the transportation committees of the legislature in carrying out the committees' powers and duties under chapter 43.88 RCW in matters relating to the transportation programs of the state. [2005 c 319 § 114; 1996 c 288 § 49; 1981 c 270 § 15; 1977 ex.s. c 235 § 6; 1975 1st ex.s. c 293 § 19; 1971 ex.s. c 195 § 2. Formerly RCW 44.40.025.]

Findings—Intent—Part headings—Effective dates—2005 c 319: See notes following RCW 43.17.020.

Effective date—Severability—1981 c 270: See notes following RCW 43.88.010.

Severability—1971 ex.s. c 195: "If any provision of this 1971 amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other circumstances is not affected." [1971 ex.s. c 195 § 21.]

RCW 43.88.130 When contracts and expenditures prohibited. No agency shall expend or contract to expend any money or incur any liability in excess of the amounts appropriated for that purpose: PROVIDED, That nothing in this section shall prevent the making of contracts or the spending of money for capital improvements, nor the making of contracts of lease or for service for a period exceeding the fiscal period in which such contract is made, when such contract is permitted by law. Any contract made in violation of this section shall be null and void. [1965 c 8 § 43.88.130. Prior: 1959 c 328 § 13.]

RCW 43.88.140 Lapsing of appropriations. All appropriations shall lapse at the end of the fiscal period for which the appropriations are made to the extent that they have not been expended or lawfully obligated. [1981 c 270 § 9; 1965 c 8 § 43.88.140. Prior: 1959 c 328 § 14.]

Effective date—Severability—1981 c 270: See notes following RCW 43.88.010.

RCW 43.88.145 Capital projects—Transfer of excess appropriation authority. (1) The capital appropriations act may authorize the governor, through the director of financial management, to transfer the appropriation authority for a capital project that is in excess of the amount required for the completion of the project to another capital project for which the appropriation is insufficient.

(a) No such transfer may be used to expand the capacity or change the intended use of the project beyond that intended by the legislature in making the appropriation.

(b) The transfer may be effected only between capital projects within a specific department, commission, agency, or institution of higher education.

(c) The transfer may be effected only if the project from which the transfer of funds is made is substantially complete and there are funds remaining, or bids have been let on the project from which the transfer of funds is made and it appears to a substantial certainty that the project can be completed within the biennium for less than the amount appropriated.

(2) For the purposes of this section, the legislature intends that each project be defined as proposed to the legislature in the governor's budget document, unless the legislative history demonstrates that the legislature intended to define the scope of a project in a different way.

(3) The office of financial management shall notify the legislative fiscal committees of the senate and the house of representatives at least thirty days before any transfer is effected under this section except emergency projects or any transfer under two hundred fifty thousand dollars, and shall prepare a report to such committees listing all completed transfers at the close of each fiscal year. [1994 c 219 § 6.]

Finding—1994 c 219: See note following RCW 43.88.030.

RCW 43.88.150 Priority of expenditures—Appropriated and nonappropriated funds—Matching funds, disburse state moneys proportionally. (1) For those agencies that make expenditures from both appropriated and nonappropriated funds for the same purpose, the governor shall direct such agencies to charge their expenditures in such ratio, as between appropriated and nonappropriated funds, as will conserve appropriated funds. For institutions of higher education, as defined in RCW 28B.10.016, this subsection applies only to operating fee accounts.

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

(3) The office of financial management shall adopt guidelines for the implementation of this section. The guidelines may account for federal matching requirements or other requirements to spend other moneys in a particular manner. [2012 c 230 § 7; 2011 1st sp.s. c 50 § 948; 1995 c 6 § 1; 1991 c 284 § 3; 1981 c 270 § 10; 1965 c 8 § 43.88.150. Prior: 1959 c 328 § 15.]

Savings report—2012 c 230: See RCW 28B.10.0291.

Effective dates—2011 1st sp.s. c 50: See note following RCW 15.76.115.

Effective date—1995 c 6: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [April 12, 1995]." [1995 c 6 § 2.]

Effective date—Severability—1981 c 270: See notes following RCW 43.88.010.

RCW 43.88.160 Fiscal management—Powers and duties of officers and agencies. This section sets forth the major fiscal duties and responsibilities of officers and agencies of the executive branch. The regulations issued by the governor pursuant to this chapter shall provide for a comprehensive, orderly basis for fiscal management and control, including efficient accounting and reporting therefor, for the executive branch of the state government and may include, in addition, such requirements as will generally promote more efficient public management in the state.

(1) Governor; director of financial management. The governor, through the director of financial management, shall devise and supervise a modern and complete accounting system for each agency to the end that all revenues, expenditures, receipts, disbursements, resources, and obligations of the state shall be properly and systematically accounted for. The accounting system shall include the development of accurate, timely records and reports of all financial affairs of the state. The system shall also provide for central accounts in the office of financial management at the level of detail deemed necessary by the director to perform central financial management. The director of financial management shall adopt and periodically update an accounting procedures manual. Any agency maintaining its own accounting and reporting system shall comply with the updated accounting procedures manual and the rules of the director adopted under this chapter. An agency may receive a waiver from complying with this requirement if the waiver is approved by the director. Waivers expire at the end of the fiscal biennium for which they are granted. The director shall forward notice of waivers granted to the appropriate legislative fiscal committees. The director of financial management may require such financial, statistical, and other reports as the director deems necessary from all agencies covering any period.

(2) Except as provided in chapter 43.88C RCW, the director of financial management is responsible for quarterly reporting of primary operating budget drivers such as applicable workloads, caseload estimates, and appropriate unit cost data. These reports shall be transmitted to the legislative fiscal committees or by electronic means to the legislative evaluation and accountability program committee. Quarterly reports shall include actual monthly data and the variance between actual and estimated data to date. The reports shall also include estimates of these items for the remainder of the budget period.

(3) The director of financial management shall report at least annually to the appropriate legislative committees regarding the status of all appropriated capital projects, including transportation projects, showing significant cost overruns or underruns. If funds are shifted from one project to another, the office of financial management shall also reflect this in the annual variance report. Once a project is complete, the report shall provide a final summary showing estimated start and completion dates of each project phase compared to actual dates, estimated costs of each project phase compared to actual costs, and whether or not there are any outstanding liabilities or unsettled claims at the time of completion.

(4) In addition, the director of financial management, as agent of the governor, shall:

(a) Develop and maintain a system of internal controls and internal audits comprising methods and procedures to be adopted by

each agency that will safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies for accounting and financial controls. The system developed by the director shall include criteria for determining the scope and comprehensiveness of internal controls required by classes of agencies, depending on the level of resources at risk.

(i) For those agencies that the director determines internal audit is required, the agency head or authorized designee shall be assigned the responsibility and authority for establishing and maintaining internal audits following professional audit standards including generally accepted government auditing standards or standards adopted by the institute of internal auditors, or both.

(ii) For those agencies that the director determines internal audit is not required, the agency head or authorized designee may establish and maintain internal audits following professional audit standards including generally accepted government auditing standards or standards adopted by the institute of internal auditors, or both, but at a minimum must comply with policies as established by the director to assess the effectiveness of the agency's systems of internal controls and risk management processes;

(b) Make surveys and analyses of agencies with the object of determining better methods and increased effectiveness in the use of manpower and materials; and the director shall authorize expenditures for employee training to the end that the state may benefit from training facilities made available to state employees;

(c) Establish policies for allowing the contracting of child care services;

(d) Report to the governor with regard to duplication of effort or lack of coordination among agencies;

(e) Review any pay and classification plans, and changes thereunder, developed by any agency for their fiscal impact: PROVIDED, That none of the provisions of this subsection shall affect merit systems of personnel management now existing or hereafter established by statute relating to the fixing of qualifications requirements for recruitment, appointment, or promotion of employees of any agency. The director shall advise and confer with agencies including appropriate standing committees of the legislature as may be designated by the speaker of the house and the president of the senate regarding the fiscal impact of such plans and may amend or alter the plans, except that for the following agencies no amendment or alteration of the plans may be made without the approval of the agency concerned: Agencies headed by elective officials;

(f) Fix the number and classes of positions or authorized employee years of employment for each agency and during the fiscal period amend the determinations previously fixed by the director except that the director shall not be empowered to fix the number or the classes for the following: Agencies headed by elective officials;

(g) Adopt rules to effectuate provisions contained in (a) through (f) of this subsection.

(5) The treasurer shall:

(a) Receive, keep, and disburse all public funds of the state not expressly required by law to be received, kept, and disbursed by some other persons: PROVIDED, That this subsection shall not apply to those public funds of the institutions of higher learning which are not subject to appropriation;

(b) Receive, disburse, or transfer public funds under the treasurer's supervision or custody;

(c) Keep a correct and current account of all moneys received and disbursed by the treasurer, classified by fund or account;

(d) Coordinate agencies' acceptance and use of credit cards and other payment methods, if the agencies have received authorization under RCW 43.41.180;

(e) Perform such other duties as may be required by law or by regulations issued pursuant to this law.

It shall be unlawful for the treasurer to disburse public funds in the treasury except upon forms or by alternative means duly prescribed by the director of financial management. These forms or alternative means shall provide for authentication and certification by the agency head or the agency head's designee that the services have been rendered or the materials have been furnished; or, in the case of loans or grants, that the loans or grants are authorized by law; or, in the case of payments for periodic maintenance services to be performed on state owned equipment, that a written contract for such periodic maintenance services is currently in effect; and the treasurer shall not be liable under the treasurer's surety bond for erroneous or improper payments so made. When services are lawfully paid for in advance of full performance by any private individual or business entity other than equipment maintenance providers or as provided for by RCW 42.24.035, such individual or entity other than central stores rendering such services shall make a cash deposit or furnish surety bond coverage to the state as shall be fixed in an amount by law, or if not fixed by law, then in such amounts as shall be fixed by the director of the department of enterprise services but in no case shall such required cash deposit or surety bond be less than an amount which will fully indemnify the state against any and all losses on account of breach of promise to fully perform such services. No payments shall be made in advance for any equipment maintenance services to be performed more than twelve months after such payment except that institutions of higher education as defined in RCW 28B.10.016 and the consolidated technology services agency created in RCW 43.105.006 may make payments in advance for equipment maintenance services to be performed up to sixty months after such payment. Any such bond so furnished shall be conditioned that the person, firm or corporation receiving the advance payment will apply it toward performance of the contract. The responsibility for recovery of erroneous or improper payments made under this section shall lie with the agency head or the agency head's designee in accordance with rules issued pursuant to this chapter. Nothing in this section shall be construed to permit a public body to advance funds to a private service provider pursuant to a grant or loan before services have been rendered or material furnished.

(6) The state auditor shall:

(a) Report to the legislature the results of current post audits that have been made of the financial transactions of each agency; to this end the auditor may, in the auditor's discretion, examine the books and accounts of any agency, official, or employee charged with the receipt, custody, or safekeeping of public funds. Where feasible in conducting examinations, the auditor shall utilize data and findings from the internal control system prescribed by the office of financial management. The current post audit of each agency may include a section on recommendations to the legislature as provided in (c) of this subsection.

(b) Give information to the legislature, whenever required, upon any subject relating to the financial affairs of the state.

(c) Make the auditor's official report on or before the thirty-first of December which precedes the meeting of the legislature. The report shall be for the last complete fiscal period and shall include determinations as to whether agencies, in making expenditures, complied with the laws of this state. The state auditor is authorized to perform or participate in performance verifications and performance audits as expressly authorized by the legislature in the omnibus biennial appropriations acts or in the performance audit work plan approved by the joint legislative audit and review committee. The state auditor, upon completing an audit for legal and financial compliance under chapter 43.09 RCW or a performance verification, may report to the joint legislative audit and review committee or other appropriate committees of the legislature, in a manner prescribed by the joint legislative audit and review committee, on facts relating to the management or performance of governmental programs where such facts are discovered incidental to the legal and financial audit or performance verification. The auditor may make such a report to a legislative committee only if the auditor has determined that the agency has been given an opportunity and has failed to resolve the management or performance issues raised by the auditor. If the auditor makes a report to a legislative committee, the agency may submit to the committee a response to the report. This subsection (6) shall not be construed to authorize the auditor to allocate other than de minimis resources to performance audits except as expressly authorized in the appropriations acts or in the performance audit work plan. The results of a performance audit conducted by the state auditor that has been requested by the joint legislative audit and review committee must only be transmitted to the joint legislative audit and review committee.

(d) Be empowered to take exception to specific expenditures that have been incurred by any agency or to take exception to other practices related in any way to the agency's financial transactions and to cause such exceptions to be made a matter of public record, including disclosure to the agency concerned and to the director of financial management. It shall be the duty of the director of financial management to cause corrective action to be taken within six months, such action to include, as appropriate, the withholding of funds as provided in RCW 43.88.110. The director of financial management shall annually report by December 31st the status of audit resolution to the appropriate committees of the legislature, the state auditor, and the attorney general. The director of financial management shall include in the audit resolution report actions taken as a result of an audit including, but not limited to, types of personnel actions, costs and types of litigation, and value of recouped goods or services.

(e) Promptly report any irregularities to the attorney general.

(f) Investigate improper governmental activity under chapter 42.40 RCW.

In addition to the authority given to the state auditor in this subsection (6), the state auditor is authorized to conduct performance audits identified in RCW 43.09.470. Nothing in this subsection (6) shall limit, impede, or restrict the state auditor from conducting performance audits identified in RCW 43.09.470.

(7) The joint legislative audit and review committee may:

(a) Make post audits of the financial transactions of any agency and management surveys and program reviews as provided for in chapter 44.28 RCW as well as performance audits and program evaluations. To this end the joint committee may in its discretion examine the books, accounts, and other records of any agency, official, or employee.

(b) Give information to the legislature or any legislative committee whenever required upon any subject relating to the performance and management of state agencies.

(c) Make a report to the legislature which shall include at least the following:

(i) Determinations as to the extent to which agencies in making expenditures have complied with the will of the legislature and in this connection, may take exception to specific expenditures or financial practices of any agencies; and

(ii) Such plans as it deems expedient for the support of the state's credit, for lessening expenditures, for promoting frugality and economy in agency affairs, and generally for an improved level of fiscal management. [2015 3rd sp.s. c 1 § 303; 2015 3rd sp.s. c 1 § 109; 2012 c 230 § 1; 2006 c 1 § 6 (Initiative Measure No. 900, approved November 8, 2005); 2002 c 260 § 1; 1998 c 135 § 1; 1997 c 168 § 6; 1996 c 288 § 25; 1994 c 184 § 11. Prior: 1993 c 500 § 7; 1993 c 406 § 4; 1993 c 194 § 6; 1992 c 118 § 8; (1992 c 118 § 7 expired April 1, 1992); 1991 c 358 § 4; prior: 1987 c 505 § 36; 1987 c 436 § 1; 1986 c 215 § 5; 1982 c 10 § 11; prior: 1981 c 280 § 7; 1981 c 270 § 11; 1979 c 151 § 139; 1975 1st ex.s. c 293 § 8; 1975 c 40 § 11; 1973 c 104 § 1; 1971 ex.s. c 170 § 4; 1967 ex.s. c 8 § 49; 1965 c 8 § 43.88.160; prior: 1959 c 328 § 16.]

Reviser's note: This section was amended by 2015 3rd sp.s. c 1 § 109 and by 2015 3rd sp.s. c 1 § 303, each without reference to the other. Both amendments are incorporated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Effective date—2015 3rd sp.s. c 1 §§ 101-109, 201-224, 406-408, 410, 501-507, 601, and 602: See note following RCW 43.105.007.

Savings report—2012 c 230: See RCW 28B.10.0291.

Short title—Effective date—2006 c 1 (Initiative Measure No. 900): See RCW 43.09.471.

Policies and purposes—Construction—Severability—Part headings not law—2006 c 1 (Initiative Measure No. 900): See notes following RCW 43.09.470.

Effective date—1997 c 168: See RCW 43.88C.900.

Finding—Severability—Effective date—1993 c 500: See notes following RCW 43.41.180.

Short title—1993 c 406: See note following RCW 43.88.020.

Expiration date—1992 c 118 § 7: "Section 7 of this act shall expire April 1, 1992." [1992 c 118 § 9.]

Effective date—1992 c 118 § 8: "Section 8 of this act shall take effect April 1, 1992." [1992 c 118 § 10.]

Effective date—1991 c 358: See note following RCW 43.88.030.

Severability—1982 c 10: See note following RCW 6.13.080.

Effective date—Severability—1981 c 270: See notes following RCW 43.88.010.

Severability—1971 ex.s. c 170: See note following RCW 43.09.050.

Director of financial management: Chapter 43.41 RCW.

Joint legislative audit and review committee: Chapter 44.28 RCW.

Post-audit: RCW 43.09.290 through 43.09.330.

Powers and duties of director of enterprise services as to official bonds: RCW 43.19.784.

State auditor, duties: Chapter 43.09 RCW.

State treasurer, duties: Chapter 43.08 RCW.

RCW 43.88.170 Refunds of erroneous or excessive payments.

Whenever any law which provides for the collection of fees or other payment by an agency does not authorize the refund of erroneous or excessive payments thereof, refunds may be made or authorized by the agency which collected the fees or payments of all such amounts received by the agency in consequence of error, either of fact or of law. The regulations issued by the governor pursuant to this chapter shall prescribe the procedure to be employed in making refunds. [1965 c 8 § 43.88.170. Prior: 1959 c 328 § 17.]

Refunds: RCW 43.01.072 through 43.01.075.

RCW 43.88.175 Credit reporting agencies—State agency use.

State agencies may report receivables to credit reporting agencies whenever the agency determines that such reporting would be cost-effective and does not violate confidentiality or other legal requirements. Within thirty-five days after satisfaction of a debt reported to a credit reporting agency, the state agency reporting the debt shall notify the credit reporting agency that the debt has been satisfied. [1991 c 85 § 1; 1989 c 100 § 1.]

RCW 43.88.180 When appropriations required or not required.

Appropriations shall not be required for refunds, as provided in RCW 43.88.170, nor in the case of payments other than for administrative expenses or capital improvements to be made from trust funds specifically created by law to discharge awards, claims, annuities and other liabilities of the state. Said trust funds shall include, but shall not be limited to, the accident fund, medical aid fund,

retirement system fund, Washington state patrol retirement fund and unemployment trust fund. Appropriations may be required in the case of public service enterprises defined for the purposes of this section as proprietary functions conducted by an agency of the state. An appropriation may be required to permit payment of obligations by revolving funds, as provided in RCW 43.88.190. [1973 1st ex.s. c 100 § 8; 1965 c 8 § 43.88.180. Prior: 1959 c 328 § 18.]

RCW 43.88.190 Revolving funds. Revolving funds shall not be created by law except to finance the operations of service units, or units set up to supply goods and services to other units or agencies. Such service units where created shall be self-supporting operations featuring continuous turnover of working capital. The regulations issued by the governor pursuant to this chapter shall prescribe the procedures to be employed by agencies in accounting and reporting for revolving funds and may provide for the keeping of such funds in the custody of the treasurer. [1965 c 8 § 43.88.190. Prior: 1959 c 328 § 19.]

RCW 43.88.195 Establishment of accounts or funds outside treasury without permission of director of financial management prohibited. After August 11, 1969, no state agency, state institution, state institution of higher education, which shall include all state universities, regional universities, The Evergreen State College, and community colleges, shall establish any new accounts or funds which are to be located outside of the state treasury: PROVIDED, That the office of financial management shall be authorized to grant permission for the establishment of such an account or fund outside of the state treasury only when the requesting agency presents compelling reasons of economy and efficiency which could not be achieved by placing such funds in the state treasury. When the director of financial management authorizes the creation of such fund or account, the director shall forthwith give written notice of the fact to the standing committees on ways and means of the house and senate: PROVIDED FURTHER, That agencies authorized to create local accounts will utilize the services of the state treasurer's office to ensure that new or ongoing relationships with financial institutions are in concert with statewide policies and procedures pursuant to RCW 43.88.160(1). [1996 c 186 § 509; 1993 c 500 § 8; 1991 c 201 § 19; 1979 c 151 § 140; 1977 ex.s. c 169 § 109; 1975 1st ex.s. c 293 § 9; 1969 ex.s. c 248 § 1.]

Findings—Intent—Part headings not law—Effective date—1996 c 186: See notes following RCW 43.330.904.

Finding—Severability—Effective date—1993 c 500: See notes following RCW 43.41.180.

RCW 43.88.200 Public records. All agency records reflecting financial transactions, such records being defined for purposes of this chapter to mean books of account, financial statements, and supporting records including expense vouchers and other evidences of obligation, shall be deemed to be public records and shall be

available for public inspection in the agency concerned during official working hours. [1965 c 8 § 43.88.200. Prior: 1959 c 328 § 20.]

RCW 43.88.205 Federal funds and programs—Participating agencies to give notice—Progress reports.

(1) Whenever an agency makes application, enters into a contract or agreement, or submits state plans for participation in, and for grants of federal funds under any federal law, the agency making such application shall at the time of such action, give notice in such form and manner as the director of financial management may prescribe, or the chair of the joint legislative audit and review committee, standing committees on ways and means of the house and senate, the chief clerk of the house, or the secretary of the senate may request.

(2) Whenever any such application, contract, agreement, or state plan is amended, such agency shall notify each such officer of such action in the same manner as prescribed or requested pursuant to subsection (1) of this section.

(3) Such agency shall promptly furnish such progress reports in relation to each such application, contract, agreement, or state plan as may be requested following the date of the filing of the application, contract, agreement, or state plan; and shall also file with each such officer a final report as to the final disposition of each such application, contract, agreement, or state plan if such is requested. [1996 c 288 § 39; 1979 c 151 § 141; 1975 1st ex.s. c 293 § 10; 1973 2nd ex.s. c 17 § 3; 1967 ex.s. c 41 § 4.]

Acceptance of funds by governor, administration: RCW 43.06.120, 43.06.130.

RCW 43.88.210 Transfer of certain powers and duties. It is the intent of this chapter to assign to the governor's office authority for developing and maintaining a state budgeting, accounting, and reporting system necessary for effective expenditure and revenue control among agencies.

To this end:

(1) All powers and duties and functions of the state auditor relating to the disbursement of public funds by warrant or check are hereby transferred to the state treasurer as the governor may direct but no later than ninety days after the start of the next fiscal biennium, and the state auditor shall deliver to the state treasurer all books, records, accounts, equipment, or other property relating to such function. In all cases where any question shall arise as to the proper custody of any such books, records, accounts, equipment or property, or pending business, the governor shall determine the question;

(2) In all cases where reports, notices, certifications, vouchers, disbursements and similar statements are now required to be given to any agency the duties and responsibilities of which are being assigned or reassigned by this chapter, the same shall be given to the agency or agencies in the manner provided for in this chapter. [1986 c 215 § 6; 1965 c 8 § 43.88.210. Prior: 1959 c 328 § 21.]

RCW 43.88.220 Federal law controls in case of conflict—Rules.

If any part of this chapter shall be found to be in conflict with federal requirements which are a prescribed condition to the allocation of federal funds to the state, such conflicting part of this chapter is hereby declared to be inoperative solely to the extent of such conflict and with respect to the agencies directly affected, and such finding or determination shall not affect the operation of the remainder of this chapter in its application to the agencies concerned. The rules and regulations under this chapter shall meet federal requirements which are a necessary condition to the receipt of federal funds by the state. [1965 c 8 § 43.88.220. Prior: 1959 c 328 § 22.]

RCW 43.88.230 Legislative agencies and committees deemed part of legislative branch. For the purposes of this chapter, the statute law committee, the joint legislative audit and review committee, the joint transportation committee, the legislative evaluation and accountability program committee, the office of legislative support services, the joint higher education committee, the office of state actuary, and all legislative standing committees of both houses shall be deemed a part of the legislative branch of state government. [2012 c 229 § 205; 2012 c 113 § 7; 2005 c 319 § 109; 1996 c 288 § 40; 1981 c 270 § 12; 1975 1st ex.s. c 293 § 11; 1965 c 8 § 43.88.230. Prior: 1959 c 328 § 23.]

Reviser's note: This section was amended by 2012 c 113 § 7 and by 2012 c 229 § 205, each without reference to the other. Both amendments are incorporated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Effective date—2012 c 113: See note following RCW 44.80.010.

Findings—Intent—Part headings—Effective dates—2005 c 319: See notes following RCW 43.17.020.

Effective date—Severability—1981 c 270: See notes following RCW 43.88.010.

RCW 43.88.240 Exemption of Washington state commodity commissions. Unless otherwise directed in the commodity commission enabling statute, this chapter shall not apply to the Washington state commodity commissions created either under separate statute or under the provisions of chapters 15.65 and 15.66 RCW: PROVIDED, That all such commissions shall submit estimates and such other necessary information as may be required for the development of the budget and shall also be subject to audit by the appropriate state auditing agency or officer. [1995 c 374 § 60; 1981 c 225 § 3; 1965 c 8 § 43.88.240. Prior: 1959 c 328 § 24.]

Effective date—1995 c 374 §§ 1-47, 50-53, and 59-68: See note following RCW 15.36.012.

RCW 43.88.250 Emergency expenditures. Whenever an emergency shall arise necessitating an expenditure for the preservation of

peace, health or safety, or for the carrying on of the necessary work required by law of any state agency for which insufficient or no appropriations have been made, the head of such agency shall submit to the governor, duplicate copies of a sworn statement, setting forth the facts constituting the emergency and the estimated amount of money required therefor. If the governor approves such estimate in whole or in part, the governor shall indorse on each copy of the statement the governor's approval, together with a statement of the amount approved as an allocation from any appropriation available for allocation for emergency purposes and transmit one copy to the head of the agency thereby authorizing the emergency expenditures. [1975-'76 2nd ex.s. c 83 § 1.]

RCW 43.88.260 Deficiencies prohibited—Exceptions. (1) It shall be unlawful for any agency head or disbursing officer to incur any cash deficiency and any appointive officer or employee violating the provisions of this section shall be subject to summary removal.

(2) This section does not apply to:

(a) Temporary cash deficiencies resulting from disbursements under a expenditure plan approved under RCW 43.88.110.

(b) Temporary cash deficiencies authorized by the director of financial management for funds and accounts in the state treasury or in the custody of the state treasurer. Each authorization under this subsection (b) shall distinctly specify the fund or account for which a deficiency is authorized, the maximum amount of cash deficiency which may be incurred, and the maximum time period during which the cash deficiency may continue. Each authorization shall expire at the end of each fiscal biennium unless renewed by the director of financial management. The director of financial management shall report each authorization and renewal to the legislative fiscal committees.

(c) Temporary cash deficiencies in funds or accounts which are neither in the state treasury, nor in the custody of the treasurer, if the cash deficiency does not continue past the end of the fiscal biennium.

(3) Nothing in this section permits the expenditure of moneys in excess of an applicable appropriation. [1987 c 502 § 7; 1975-'76 2nd ex.s. c 83 § 2.]

RCW 43.88.265 Construction accounts—Exception to certain accounting requirements. In order to comply with the provisions of the federal tax reform act of 1986, construction accounts that receive bond proceeds are exempt from RCW 43.88.050, 43.88.110, and 43.88.260 and may incur seasonal cash deficits pending the sale of bonds or bond anticipation notes subject to the following conditions:

(1) The respective account has unexpended appropriation authority.

(2) There are authorized unissued bonds available for sale by the state finance committee under direction to deposit the proceeds of the sale in the respective account.

(3) The bonds are of an amount that would remedy the cash deficit if the bonds were sold. [1989 1st ex.s. c 14 § 18.]

Effective dates—1989 1st ex.s. c 14: See RCW 43.99H.901.

RCW 43.88.270 Penalty for violations. Any officer or employee violating, or wilfully refusing or failing to comply with, any provision of this chapter shall be guilty of a misdemeanor. [1975-'76 2nd ex.s. c 83 § 3.]

RCW 43.88.280 Fiscal responsibilities of state officers and employees—"State officer or employee" defined. As used in RCW 43.88.290 and 43.88.300 the term "state officer or employee" includes the members of the governing body of any state agency, as state agency is defined in *RCW 43.88.020(4) and those generally known as executive management but excludes nonsupervisory state employees covered by civil service under chapters 41.06 and **28B.16 RCW. [1977 ex.s. c 320 § 1.]

Reviser's note: *(1) RCW 43.88.020 was alphabetized pursuant to RCW 1.08.015(2)(k), changing subsection (4) to subsection (2).

** (2) Chapter 28B.16 RCW was repealed by 1993 c 281, with the exception of RCW 28B.16.015 and 28B.16.240, which was recodified as RCW 41.06.382. RCW 28B.16.015 and 41.06.382 were subsequently repealed by 2002 c 354 § 403, effective July 1, 2005.

Effective date—1977 ex.s. c 320: "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1977." [1977 ex.s. c 320 § 6.]

RCW 43.88.290 Fiscal responsibilities of state officers and employees—Prohibitions relative to appropriations and expenditures. No state officer or employee shall intentionally or negligently: Over-expend or over-encumber any appropriation made by law; fail to properly account for any expenditures by fund, program, or fiscal period; or expend funds contrary to the terms, limits, or conditions of any appropriation made by law. [1981 c 270 § 13; 1977 ex.s. c 320 § 2.]

Effective date—Severability—1981 c 270: See notes following RCW 43.88.010.

Effective date—1977 ex.s. c 320: See note following RCW 43.88.280.

RCW 43.88.300 Fiscal responsibilities of state officers and employees—Violations—Civil penalties—Forfeiture. (1) Where there is reason to believe that a present or former state officer or employee has violated or threatens to violate RCW 43.88.290, the attorney general may initiate an appropriate civil action for the enforcement of RCW 43.88.280 through 43.88.320 or to prevent any such violation. The action may be brought in the county where the alleged violator resides, or the county where the violation is alleged to have occurred or is threatened.

(2) For each violation of RCW 43.88.290 the attorney general shall seek to recover and the court may award the following damages on behalf of the state of Washington:

(a) From each person found in violation of RCW 43.88.290 a civil penalty in the amount of five hundred dollars, or all costs, including reasonable attorney's fees incurred by the state in said action, whichever is greater;

(b) Any damages sustained by the state as a result of the conduct constituting said violation.

In addition to the other penalties contained in this section, judgment against any person, other than an elected official, for violating RCW 43.88.290 may include a declaration of forfeiture of such person's office or employment, to take effect immediately. [1977 ex.s. c 320 § 3.]

Effective date—1977 ex.s. c 320: See note following RCW 43.88.280.

RCW 43.88.310 Fiscal responsibilities of state officers and employees—Duties of legislative auditor, attorney general. (1) The legislative auditor of the office of the joint legislative audit and review committee, with the concurrence of the joint legislative audit and review committee, may file with the attorney general any audit exceptions or other findings of any performance audit, management study, or special report prepared for the joint legislative audit and review committee, any standing or special committees of the house or senate, or the entire legislature which indicate a violation of RCW 43.88.290, or any other act of malfeasance, misfeasance, or nonfeasance on the part of any state officer or employee.

(2) The attorney general shall promptly review each filing received from the legislative auditor and may act thereon as provided in RCW 43.88.300, or any other applicable statute authorizing enforcement proceedings by the attorney general. The attorney general shall advise the joint legislative audit and review committee of the status of exceptions or findings referred under this section. [1996 c 288 § 41; 1993 c 157 § 1; 1977 ex.s. c 320 § 4.]

Effective date—1977 ex.s. c 320: See note following RCW 43.88.280.

RCW 43.88.320 Fiscal responsibilities of state officers and employees—Civil penalties additional to other penalties. The civil penalties provided by RCW 43.88.280 through 43.88.320 are in addition to any other penalties which may be provided by law. [1977 ex.s. c 320 § 5.]

Effective date—1977 ex.s. c 320: See note following RCW 43.88.280.

RCW 43.88.350 Legal services revolving fund—Enterprise services account—Approval of certain changes required. Any rate increases proposed for or any change in the method of calculating charges from the legal services revolving fund or services provided in accordance with RCW 43.01.090 or 43.19.500 in the enterprise services account is subject to approval by the director of financial management prior to implementation. [2015 c 225 § 87; 1998 c 105 § 16; 1981 c 270 § 14.]

Effective date—1998 c 105: See note following RCW 43.19.025.

Effective date—Severability—1981 c 270: See notes following RCW 43.88.010.

Enterprise services account: RCW 43.19.500.

Legal services revolving fund: RCW 43.10.150.

RCW 43.88.550 Forest firefighting expenses—Transfers to Clarke-McNary fund. Based on schedules submitted by the director of financial management, the state treasurer shall transfer from the general fund—state, or such other funds as the state treasurer deems appropriate, to the Clarke-McNary fund such amounts as are necessary to meet unbudgeted forest firefighting expenses. All amounts borrowed under the authority of this section shall be repaid to the appropriate fund, together with interest at a rate determined by the state treasurer to be equivalent to the return on investments of the state treasury during the period the amounts are borrowed. [1989 c 362 § 3.]

RCW 43.88.560 Information technology projects—Funding policies and standards. The director of financial management shall establish policies and standards governing the funding of major information technology projects. The director of financial management shall also direct the collection of additional information on information technology projects and submit an information technology plan as required under RCW 43.88.092. [2015 c 225 § 88; 2010 c 282 § 4; 1992 c 20 § 7.]

Severability—Captions not law—1992 c 20: See notes following RCW 43.105.025.

RCW 43.88.570 Social services provided by nongovernment entities receiving state moneys—Report by agencies—Audits. (1) Each state agency shall submit a report to the office of the state auditor listing each nongovernment entity that received over three hundred thousand dollars in state moneys during the previous fiscal year under contract with the agency for purposes related to the provision of social services. The report must be submitted by September 1 each year, and must be in a form prescribed by the office of the state auditor.

(2) The office of the state auditor shall select at random a group of entities from the reports using a procedure prescribed by the office of the state auditor. The office of the state auditor shall ensure that the number of entities selected under this subsection (2) each year is sufficient to ensure a statistically representative sample of all reported entities.

(3) Each entity selected under subsection (2) of this section shall be required to complete a comprehensive entity-wide audit in accordance with generally accepted government auditing standards. The audit shall be completed by, or under the supervision of, a certified

public accountant licensed in this state. The audit shall determine, at a minimum, whether:

(a) The financial statements of the entity are presented fairly in all material respects in conformity with generally accepted accounting principles;

(b) The schedule of expenditures of state moneys is presented fairly in all material respects in relation to the financial statements taken as a whole;

(c) Internal accounting controls exist and are effective; and

(d) The entity has complied with laws, regulations, and contract and grant provisions that have a direct and material effect on performance of the contract and the expenditure of state moneys.

(4) The office of the state auditor shall also select a second group based on a risk assessment of entities conducted by the office of the state auditor in consultation with state agencies. The office of the state auditor shall consider, at a minimum, the following factors when conducting risk assessments: Findings from audits of entities under contract with the state to provide services for the same state or federal program; findings from previous audits; decentralization of decision making and controls; turnover in officials and key personnel; changes in management structure or operations; and the presence of new programs, technologies, or funding sources.

(5) The office of the state auditor is required to complete a comprehensive entity-wide audit, in accordance with generally accepted government auditing standards, of each entity selected under subsection (4) of this section. The office of the state auditor may procure the services of a certified public accountant to perform such an audit, as set forth under RCW 43.09.045. The audit shall determine, at a minimum, whether:

(a) The financial statements of the entity are presented fairly in all material respects in conformity with generally accepted accounting principles;

(b) The schedule of expenditures of state moneys is presented fairly in all material respects in relation to the financial statements taken as a whole;

(c) Internal accounting controls exist and are effective; and

(d) The entity has complied with statutes, rules, regulations, and contract and grant provisions that have a direct and material effect on performance of the contract and the expenditure of state moneys.

(6) The office of the state auditor shall prescribe policies and procedures for the conduct of audits under this section. The office of the state auditor shall deem single audits completed in compliance with federal requirements to be in fulfillment of the requirements of this section if the audit meets the requirements of subsection (3)(a) through (d) or (5)(a) through (d) of this section. If the entity is selected under subsection (4) of this section, the office of the state auditor shall review the single audit to determine if there is evidence of misuse of public moneys.

(7) Completed audits must be delivered to the office of the state auditor and the state agency by April 1 in the year following the selection of the entity for audit. Entities must resolve any findings contained in the audit within six months of the delivery of the audit. Entities may not enter into new contracts with state agencies until all major audit findings are resolved.

(8) Nothing in this section limits the authority of the state auditor to carry out statutorily and contractually prescribed powers and duties. [1998 c 232 § 2; 1997 c 374 § 3.]

Findings—Intent—1998 c 232: See note following RCW 43.09.055.

Findings—1997 c 374: See note following RCW 43.63A.125.

RCW 43.88.580 Database of state agency contracts for personal services—State expenditure information website. (1) The department of enterprise services shall make electronically available to the public a database of state agency contracts for personal services required to be filed with the department of enterprise services under *chapter 39.29 RCW.

(2) The state expenditure information website described in RCW 44.48.150 shall include a link to the department of enterprise services database described in subsection (1) of this section. [2011 1st sp.s. c 43 § 534; 2008 c 326 § 3.]

***Reviser's note:** Chapter 39.29 RCW was repealed by 2012 c 224 § 29, effective January 1, 2013. See chapter 39.26 RCW.

Effective date—Purpose—2011 1st sp.s. c 43: See notes following RCW 43.19.003.

Intent—2008 c 236: See note following RCW 44.48.150.

RCW 43.88.583 Public inspection of state collective bargaining agreements—Website—Contents. (1) To facilitate public inspection of state collective bargaining agreements, the office of financial management must maintain a website that is accessible to the public of all agreements collectively bargained with state employees under the authority of chapters 28B.52, 41.56, 41.76, 41.80, and 47.64 RCW. In addition, the website must contain all agreements collectively bargained with persons who are state employees solely for the purpose of collective bargaining under RCW 41.56.026, 41.56.028, 41.56.029, 41.56.473, 41.56.510, and 74.39A.270. Tentatively agreed to collective bargaining agreements must be posted to the website in a searchable format within forty-five days of being submitted to the office of financial management. Revisions and modification to agreements must be posted to the website within fifteen days of the agreement being signed by both parties.

(2) To facilitate public understanding of state collective bargaining agreements, the office of financial management must prepare a summary of each agreement subject to subsection (1) of this section for posting on the website by December 20th of the year in which the agreement was negotiated, but no later than the date that the governor submits a request for funding to the legislature. The summary must identify the following information for each agreement:

- (a) The term of the agreement;
- (b) The bargaining units covered by the agreement by state agency;
- (c) Base compensation;
- (d) Provisions for and rate of overtime pay;
- (e) Provisions for and rate of compensatory time;

- (f) Provisions for and rate of any other compensation including, but not limited to, shift premium pay, on-call pay, stand-by pay, assignment pay, special pay, or employer-provided housing or meals;
 - (g) Provisions for and rate of pay for each paid leave provision;
 - (h) Provisions for and rate of pay for any cash out provisions for compensatory time or paid leave;
 - (i) Temporary layoff provision;
 - (j) Any impasse procedure subject to bargaining;
 - (k) Health care benefits provisions expressed as a percentage of cost or as a dollar amount, or in the case of contributions to a third-party benefit fund, the hourly contribution rate to the fund;
 - (l) Any retirement benefit subject to bargaining, or in the case of contributions to a third-party benefit fund, the hourly contribution rate to the fund;
 - (m) For compensation or fringe benefits with an anticipated cost of fifty thousand dollars or more, a brief description of each component and its cost that comprises the amount funded by the legislature to implement in accordance with RCW 41.80.010(3);
 - (n) Number of bargaining unit members covered by the agreement as of the date submitted to the office of financial management;
 - (o) Content of any agency-specific supplemental agreements affecting (a) through (m) of this subsection; and
 - (p) Any contract provisions that allow the contract to be reopened during the contract term.
- (3) For collective bargaining agreements negotiated by institutions of higher education, the institution of higher education must:
- (a) Provide the office of financial management with a searchable version of the tentatively agreed to collective bargaining agreements to be posted on the website identified in subsection (1) of this section to within forty days of submitting the agreements to the office of financial management.
 - (b) Submit revisions and modifications to agreements to the office of financial management to be posted to the website identified in subsection (1) of this section within ten days of the agreement being signed by both parties.
 - (c) Submit a summary of each agreement to the office of financial management by December 10th of the year in which a master agreement was negotiated or within fifteen days of a contract revision. The summary must include the information identified in subsection (2)(a) through (p) of this section.
- (4) The office of financial management must also include on the website any additional information identified in budget instructions developed by the office of financial management or that is otherwise required under RCW 43.88.030.
- (5) Information on the website may include links to salary schedules, pay ranges, and other information on state or federal agency websites to summarize information. Information may include links to specific language within an agreement to summarize information.
- (6) By January 1, 2018, the information under this section must be incorporated into the state expenditure information website maintained by the legislative evaluation and accountability program committee under RCW 44.48.150.
- (7) The summaries of collective bargaining agreements created under this section must not disclose personally identifiable information of any bargaining unit member.

(8) The summaries of collective bargaining agreements created under this section have no legal effect on the interpretation of the agreements. [2017 3rd sp.s. c 23 § 1.]

RCW 43.88.585 Fee inventory—State expenditure information website—Work group. (1) By January 1, 2014, the office of financial management shall compile, maintain, and periodically update an inventory of all fees imposed by state agencies and institutions of higher education pursuant to statute or administrative rule. At a minimum, the inventory shall identify the agency or institution collecting the fee, the purpose of the fee, the current amount of the fee, the amount of the fee over the previous five years, and the statutory authority for the fee. The office of financial management may aggregate or consolidate fee information when there is commonality among the fee payers or the purposes for which the fee is paid.

(2) To facilitate the fee inventory under this section, each state agency and institution of higher education shall report the information required under subsection (1) of this section to the office of financial management and shall update the information at least every two years.

(3) The fee inventory under this section shall be incorporated into the state expenditure information website maintained by the legislative evaluation and accountability program committee under RCW 44.48.150.

(4) The office of financial management shall convene a work group consisting of representatives from the legislative evaluation and accountability program committee, the office of regulatory assistance, the department of licensing, the department of labor and industries, the department of transportation, and the department of health to develop a process to facilitate more frequent updates to the inventory and to recommend changes to increase public accessibility.

(5) For purposes of this section, "fee" means any charge, fixed by law or administrative rule, for the benefit of a service or to cover the cost of a regulatory program or the costs of administering a program for which the fee payer benefits. "Fee" does not include taxes; penalties or fines; intergovernmental charges; commercial charges; pension or health care contributions or rates; industrial, unemployment, or other state-operated insurance programs; or individualized cost recoveries.

(6) The requirements in this section are suspended during the 2019-2021 and 2021-2023 fiscal biennia. [2021 c 334 § 974; 2013 c 63 § 1.]

Conflict with federal requirements—Effective date—2021 c 334:
See notes following RCW 43.79.555.

RCW 43.88.899 Intent—Periodic review. The amendments to chapter 43.88 RCW by chapter 215, Laws of 1986 are intended to improve the reporting of state budgeting, accounting, and other fiscal data. The legislative evaluation and accountability program committee shall periodically review chapter 43.88 RCW and shall recommend further revisions if needed. [1986 c 215 § 8.]