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HOUSE BILL 1532

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State of Washington                      64th Legislature                      2015 Regular Session

By Representatives Smith, Stanford, DeBolt, Riccelli, and Tarleton

Read first time 01/22/15. Referred to Committee on Capital Budget.

1            AN ACT Relating to capital design and construction for  
2 institutions of higher education; and amending RCW 43.88.030.

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

4            **Sec. 1.** RCW 43.88.030 and 2006 c 334 s 43 are each amended to  
5 read as follows:

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

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

24 The budget document or documents shall also contain:

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

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

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

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

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

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

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

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

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

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

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

20 (c) Other statutory expenditures;

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

22 (e) Revenues derived from agency operations;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 (h) Estimated total project cost;

31 (i) For major projects valued over five million dollars, with the  
32 exception of projects at institutions of higher education as defined  
33 in RCW 28B.10.016, which may be valued up to ten million dollars,  
34 estimated costs for the following project components: Acquisition,  
35 consultant services, construction, equipment, project management, and  
36 other costs included as part of the project. Project component costs  
37 shall be displayed in a standard format defined by the office of  
38 financial management to allow comparisons between projects;

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

- 1 (k) Estimated ensuing biennium costs;
- 2 (l) Estimated costs beyond the ensuing biennium;
- 3 (m) Estimated construction start and completion dates;
- 4 (n) Source and type of funds proposed;
- 5 (o) Estimated ongoing operating budget costs or savings resulting
- 6 from the project, including staffing and maintenance costs;
- 7 (p) For any capital appropriation requested for a state agency
- 8 for the acquisition of land or the capital improvement of land in
- 9 which the primary purpose of the acquisition or improvement is
- 10 recreation or wildlife habitat conservation, the capital budget
- 11 document, or an omnibus list of recreation and habitat acquisitions
- 12 provided with the governor's budget document, shall identify the
- 13 projected costs of operation and maintenance for at least the two
- 14 biennia succeeding the next biennium. Omnibus lists of habitat and
- 15 recreation land acquisitions shall include individual project cost
- 16 estimates for operation and maintenance as well as a total for all
- 17 state projects included in the list. The document shall identify the
- 18 source of funds from which the operation and maintenance costs are
- 19 proposed to be funded;
- 20 (q) Such other information bearing upon capital projects as the
- 21 governor deems to be useful;
- 22 (r) Standard terms, including a standard and uniform definition
- 23 of normal maintenance, for all capital projects;
- 24 (s) Such other information as the legislature may direct by law
- 25 or concurrent resolution.
- 26 For purposes of this subsection (5), the term "capital project"
- 27 shall be defined subsequent to the analysis, findings, and
- 28 recommendations of a joint committee comprised of representatives
- 29 from the house capital appropriations committee, senate ways and
- 30 means committee, legislative evaluation and accountability program
- 31 committee, and office of financial management.
- 32 (6) No change affecting the comparability of agency or program
- 33 information relating to expenditures, revenues, workload, performance
- 34 and personnel shall be made in the format of any budget document or
- 35 report presented to the legislature under this section or RCW
- 36 43.88.160(1) relative to the format of the budget document or report
- 37 which was presented to the previous regular session of the
- 38 legislature during an odd-numbered year without prior legislative
- 39 concurrence. Prior legislative concurrence shall consist of (a) a
- 40 favorable majority vote on the proposal by the standing committees on

1 ways and means of both houses if the legislature is in session or (b)  
2 a favorable majority vote on the proposal by members of the  
3 legislative evaluation and accountability program committee if the  
4 legislature is not in session.

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