
HOUSE BILL 2185

State of Washington 52nd Legislature 1991 Regular Session

By Representatives Holland, Hargrove, Forner, Silver, Bowman, Wynne, Beck, Fuhrman, Morton, Edmondson, May, Wilson, Padden, Neher, Nealey, Broback, Schmidt, Horn, Casada, Tate, Brumsickle, Lisk, Ferguson, Hochstatter, Orr, Moyer, Mielke, Paris, Chandler, D. Sommers, P. Johnson, Ballard, Miller, Vance, Brough, McLean, Mitchell, Winsley, Zellinsky and Ludwig.

Read first time March 14, 1991. Referred to Committee on State Government\Appropriations.

1 AN ACT Relating to stopping the growth of state employment;
2 amending RCW 43.88.160; and creating new sections.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that, because of
5 the state's current economic situation, an increase in the total number
6 of persons on the state payroll could result in a decrease in state-
7 provided services and programs, such as educational services and
8 children's programs. To avoid any tax increases and the unnecessary
9 use of reserves in the budget stabilization account, the legislature
10 intends to cap the total number of state employees at its current level
11 for the 1991-93 biennium. This cap is on the total number of state
12 employees and not on the number of employees of any given department or
13 agency. Consequently, shifts or transfers of employees may occur
14 between departments and agencies so that employees are assigned where
15 the needs are greatest.

1 NEW SECTION. **Sec. 2.** For the 1991-93 biennium the total
2 number of full time equivalent allotments for state employment may not
3 exceed eighty-one thousand five hundred thirty.

4 **Sec. 3.** RCW 43.88.160 and 1987 c 505 s 36 are each amended to read
5 as follows:

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

14 (1) Governor; director of financial management. The governor,
15 through the director of financial management, shall devise and
16 supervise a modern and complete accounting system for each agency to
17 the end that all revenues, expenditures, receipts, disbursements,
18 resources and obligations of the state shall be properly and
19 systematically accounted for. The accounting system shall include the
20 development of accurate, timely records and reports of all financial
21 affairs of the state. The system shall also provide for central
22 accounts in the office of financial management at the level of detail
23 deemed necessary by the director to perform central financial
24 management. The director of financial management shall adopt and
25 periodically update an accounting procedures manual. Any agency
26 maintaining its own accounting and reporting system shall comply with
27 the updated accounting procedures manual and the rules of the director
28 adopted under this chapter. An agency may receive a waiver from
29 complying with this requirement if the waiver is approved by the

1 director. Waivers expire at the end of the fiscal biennium for which
2 they are granted. The director shall forward notice of waivers granted
3 to the legislative fiscal committees. The director of financial
4 management may require such financial, statistical, and other reports
5 as the director deems necessary from all agencies covering any period.

6 The director of financial management is responsible for quarterly
7 reporting of primary budget drivers such as applicable workloads,
8 caseload estimates, and appropriate unit cost data. These reports
9 shall be transmitted to the legislative fiscal committees or by
10 electronic means to the legislative evaluation and accountability
11 program committee. Quarterly reports shall include actual monthly data
12 and the variance between actual and estimated data to date. The
13 reports shall also include estimates of these items for the remainder
14 of the budget period.

15 In addition, the director of financial management, as agent of the
16 governor, shall:

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

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

24 (c) Review any pay and classification plans, and changes
25 thereunder, developed by any agency for their fiscal impact: PROVIDED,
26 That none of the provisions of this subsection shall affect merit
27 systems of personnel management now existing or hereafter established
28 by statute relating to the fixing of qualifications requirements for
29 recruitment, appointment, or promotion of employees of any agency. The
30 director shall advise and confer with agencies including appropriate

1 standing committees of the legislature as may be designated by the
2 speaker of the house and the president of the senate regarding the
3 fiscal impact of such plans and may amend or alter said plans, except
4 that for the following agencies no amendment or alteration of said
5 plans may be made without the approval of the agency concerned:
6 Agencies headed by elective officials;

7 (d)(i) Fix the number and classes of positions or authorized man
8 years of employment for each agency and during the fiscal period amend
9 the determinations previously fixed by the director except that the
10 director shall not be empowered to fix said number or said classes for
11 the following: Agencies headed by elective officials;

12 (ii) Maintain the total number of full time equivalent allotments
13 for state employment during the 1991-93 biennium at or below eighty-one
14 thousand five hundred thirty;

15 (e) Provide for transfers and repayments between the budget
16 stabilization account and the general fund as directed by appropriation
17 and RCW 43.88.525 through 43.88.540;

18 (f) Promulgate regulations to effectuate provisions contained in
19 subsections (a) through (e) hereof.

20 (2) The treasurer shall:

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

26 (b) Disburse public funds under the treasurer's supervision or
27 custody by warrant or check;

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

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

3 It shall be unlawful for the treasurer to issue any warrant or
4 check for public funds in the treasury except upon forms duly
5 prescribed by the director of financial management. Said forms shall
6 provide for authentication and certification by the agency head or the
7 agency head's designee that the services have been rendered or the
8 materials have been furnished; or, in the case of loans or grants, that
9 the loans or grants are authorized by law; or, in the case of payments
10 for periodic maintenance services to be performed on state owned
11 equipment, that a written contract for such periodic maintenance
12 services is currently in effect and copies thereof are on file with the
13 office of financial management; and the treasurer shall not be liable
14 under the treasurer's surety bond for erroneous or improper payments so
15 made: PROVIDED, That when services are lawfully paid for in advance of
16 full performance by any private individual or business entity other
17 than as provided for by RCW 42.24.035, such individual or entity other
18 than central stores rendering such services shall make a cash deposit
19 or furnish surety bond coverage to the state as shall be fixed in an
20 amount by law, or if not fixed by law, then in such amounts as shall be
21 fixed by the director of the department of general administration but
22 in no case shall such required cash deposit or surety bond be less than
23 an amount which will fully indemnify the state against any and all
24 losses on account of breach of promise to fully perform such services:
25 AND PROVIDED FURTHER, That no payments shall be made in advance for any
26 equipment maintenance services to be performed more than three months
27 after such payment. Any such bond so furnished shall be conditioned
28 that the person, firm or corporation receiving the advance payment will
29 apply it toward performance of the contract. The responsibility for
30 recovery of erroneous or improper payments made under this section

1 shall lie with the agency head or the agency head's designee in
2 accordance with regulations issued pursuant to this chapter. Nothing
3 in this section shall be construed to permit a public body to advance
4 funds to a private service provider pursuant to a grant or loan before
5 services have been rendered or material furnished.

6 (3) The state auditor shall:

7 (a) Report to the legislature the results of current post audits
8 that have been made of the financial transactions of each agency; to
9 this end the auditor may, in the auditor's discretion, examine the
10 books and accounts of any agency, official or employee charged with the
11 receipt, custody or safekeeping of public funds. The current post
12 audit of each agency may include a section on recommendations to the
13 legislature as provided in subsection (3)(c) of this section.

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

16 (c) Make the auditor's official report on or before the thirty-
17 first of December which precedes the meeting of the legislature. The
18 report shall be for the last complete fiscal period and shall include
19 at least the following:

20 Determinations as to whether agencies, in making expenditures,
21 complied with the laws of this state: PROVIDED, That nothing in this
22 act shall be construed to grant the state auditor the right to perform
23 performance audits. A performance audit for the purpose of this act
24 shall be the examination of the effectiveness of the administration,
25 its efficiency and its adequacy in terms of the programs of departments
26 or agencies as previously approved by the legislature. The authority
27 and responsibility to conduct such an examination shall be vested in
28 the legislative budget committee as prescribed in RCW 44.28.085 as now
29 or hereafter amended.

1 (d) Be empowered to take exception to specific expenditures that
2 have been incurred by any agency or to take exception to other
3 practices related in any way to the agency's financial transactions and
4 to cause such exceptions to be made a matter of public record,
5 including disclosure to the agency concerned and to the director of
6 financial management. It shall be the duty of the director of
7 financial management to cause corrective action to be taken promptly,
8 such action to include, as appropriate, the withholding of funds as
9 provided in RCW 43.88.110.

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

11 (4) The legislative budget committee may:

12 (a) Make post audits of the financial transactions of any agency
13 and management surveys and program reviews as provided for in RCW
14 44.28.085 as now or hereafter amended. To this end the committee may
15 in its discretion examine the books, accounts, and other records of any
16 agency, official, or employee.

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

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

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

26 (ii) Such plans as it deems expedient for the support of the
27 state's credit, for lessening expenditures, for promoting frugality and
28 economy in agency affairs and generally for an improved level of fiscal
29 management.