
SENATE BILL 5373

State of Washington

53rd Legislature

1993 Regular Session

By Senators Gaspard, Oke, Bauer, Barr, von Reichbauer and Winsley; by request of Legislative Budget Committee

Read first time 01/26/93. Referred to Committee on Ways & Means.

1 AN ACT Relating to changing the name of the legislative budget
2 committee to the joint committee on performance audits; and amending
3 RCW 19.02.885, 26.23.0401, 28A.630.830, 28B.15.766, 28B.20.382,
4 28B.102.900, 39.29.016, 39.29.018, 41.06.070, 42.48.060, 43.09.310,
5 43.79.270, 43.79.280, 43.88.020, 43.88.160, 43.88.205, 43.88.230,
6 43.88.310, 43.88.510, 43.131.050, 43.131.060, 43.131.070, 43.131.080,
7 43.131.110, 43.136.030, 43.136.040, 43.136.050, 43.163.900, 43.250.080,
8 44.28.010, 44.28.050, 44.28.060, 44.28.085, 44.28.086, 44.28.087,
9 44.28.140, 44.40.025, 44.70.010, 49.78.210, 67.70.310, 70.95E.070,
10 70.127.901, 74.09.415, 74.21.070, 74.21.140, 79.01.006, 88.46.920, and
11 90.48.465.

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

13 **Sec. 1.** RCW 19.02.885 and 1990 c 264 s 3 are each amended to read
14 as follows:

15 The (~~legislative budget committee~~) joint committee on performance
16 audits shall conduct a performance audit of the master licensing
17 program and report to the senate economic development and labor
18 committee and the house of representatives trade and economic

1 development committee. At a minimum, this study should include an
2 examination of the program cost and effectiveness.

3 **Sec. 2.** RCW 26.23.0401 and 1989 c 360 s 40 are each amended to
4 read as follows:

5 The (~~legislative budget committee~~) joint committee on performance
6 audits shall conduct a study of the effectiveness of the reporting
7 program contained in RCW 26.23.040. The study shall include a cost-
8 benefit analysis using accepted accounting practices, control group
9 comparisons of responsible parent work history and support payment
10 history between industries and employers who report and those who do
11 not, statistical detail by standard industrial code to describe (1) the
12 percentage of reports made to the support registry, (2) the percentage
13 of resulting matches with open support enforcement cases, and (3) the
14 level of recovery of delinquent child support, a review of alternative
15 or expedited reporting procedures utilizing new hire data from other
16 public or private sources, control group comparisons regarding the
17 responsible parent work history and support payment history using
18 existing or expedited data sources compared with the employer reporting
19 program, and recommendations as to expansion, termination, or
20 enhancement of the reporting program.

21 The secretary of the department of social and health services and
22 the commissioner of employment security shall provide necessary data
23 and assistance to conduct the employer reporting program and the study
24 and participate in the review of alternative reporting procedures. The
25 department of social and health services shall reimburse the employment
26 security department for necessary expenses subject to the approval of
27 the office of financial management.

28 The committee shall prepare and submit a report to the appropriate
29 committees of the house of representatives and senate by November 7,
30 1992.

31 **Sec. 3.** RCW 28A.630.830 and 1991 c 265 s 3 are each amended to
32 read as follows:

33 (1) The selection advisory committee is created. The committee
34 shall be composed of up to three members from the house of
35 representatives, up to three members from the senate, up to two members
36 from the office of the superintendent of public instruction, and one
37 member from each of the following: The office of financial management,

1 Washington state special education coalition, transitional bilingual
2 instruction educators, and Washington education association.

3 (2) The (~~legislative budget committee~~) joint committee on
4 performance audits and the superintendent of public instruction shall
5 provide staff for the selection advisory committee.

6 (3) The selection advisory committee shall:

7 (a) Develop appropriate criteria for selecting demonstration
8 projects;

9 (b) Issue requests for proposals in accordance with RCW 28A.630.820
10 through 28A.630.840 for demonstration projects to commence during the
11 1991-92 and 1992-93 school years;

12 (c) Review proposals and recommend demonstration projects for
13 approval by the superintendent of public instruction;

14 (d) Advise the superintendent of public instruction on the
15 evaluation design; and

16 (e) Report each year by December 1st on the status of the
17 demonstration projects to the (~~legislative budget committee~~) joint
18 committee on performance audits and the appropriate policy and fiscal
19 committees of the house of representatives and the senate.

20 **Sec. 4.** RCW 28B.15.766 and 1983 1st ex.s. c 74 s 4 are each
21 amended to read as follows:

22 No loans shall be made after August 23, 1989, until the program is
23 reviewed by the (~~legislative budget committee~~) joint committee on
24 performance audits and is reenacted by the legislature.

25 **Sec. 5.** RCW 28B.20.382 and 1987 c 505 s 13 are each amended to
26 read as follows:

27 Until authorized and empowered to do so by statute of the
28 legislature, the board of regents of the university, with respect to
29 that certain tract of land in the city of Seattle originally known as
30 the "old university grounds" and more recently known as the
31 "Metropolitan Tract" and any land contiguous thereto, shall not sell
32 (~~said~~) the land or any part thereof or any improvement thereon, or
33 lease (~~said~~) the land or any part thereof or any improvement thereon
34 or renew or extend any lease thereof for a term ending more than sixty
35 years beyond midnight, December 31, 1980. Any sale of (~~said~~) land or
36 any part thereof or any improvement thereon, or any lease or renewal or
37 extension of any lease of (~~said~~) land or any part thereof or any

1 improvement thereon for a term ending more than sixty years after
2 midnight, December 31, 1980, made or attempted to be made by the board
3 of regents shall be null and void unless and until the same has been
4 approved or ratified and confirmed by legislative act.

5 The board of regents shall have power from time to time to lease
6 ~~((said))~~ the land, or any part thereof or any improvement thereon for
7 a term ending not more than sixty years beyond midnight, December 31,
8 1980: PROVIDED, That the board of regents shall make a full, detailed
9 report of all leases and transactions pertaining to ~~((said))~~ the land
10 or any part thereof or any improvement thereon to the ~~((legislative~~
11 ~~budget committee))~~ joint committee on performance audits, including one
12 copy to the staff of the committee, during an odd-numbered year:
13 PROVIDED FURTHER, That any and all records, books, accounts and/or
14 agreements of any lessee or sublessee under this section, pertaining to
15 compliance with the terms and conditions of such lease or sublease,
16 shall be open to inspection by the board of regents and/or the ways and
17 means committees of the senate or the house of representatives or the
18 ~~((legislative budget committee))~~ joint committee on performance audits
19 or any successor committees. It is not intended by this proviso that
20 unrelated records, books, accounts and/or agreements of lessees,
21 sublessees or related companies be open to such inspection.

22 **Sec. 6.** RCW 28B.102.900 and 1987 c 437 s 9 are each amended to
23 read as follows:

24 No conditional scholarships shall be granted after June 30, 1994,
25 until the program is reviewed by the ~~((legislative budget committee))~~
26 joint committee on performance audits and is reenacted by the
27 legislature.

28 **Sec. 7.** RCW 39.29.016 and 1987 c 414 s 4 are each amended to read
29 as follows:

30 Emergency contracts shall be filed with the office of financial
31 management and the ~~((legislative budget committee))~~ joint committee on
32 performance audits and made available for public inspection within
33 three working days following the commencement of work or execution of
34 the contract, whichever occurs first. Documented justification for
35 emergency contracts shall be provided to the office of financial
36 management and the ~~((legislative budget committee))~~ joint committee on
37 performance audits when the contract is filed.

1 **Sec. 8.** RCW 39.29.018 and 1987 c 414 s 5 are each amended to read
2 as follows:

3 (1) Sole source contracts shall be filed with the office of
4 financial management and the (~~legislative budget committee~~) joint
5 committee on performance audits and made available for public
6 inspection at least ten working days prior to the proposed starting
7 date of the contract. Documented justification for sole source
8 contracts shall be provided to the office of financial management and
9 the (~~legislative budget committee~~) joint committee on performance
10 audits when the contract is filed.

11 (2) The office of financial management shall approve sole source
12 contracts of ten thousand dollars or more before any such contract
13 becomes binding and before any services may be performed under the
14 contract. These requirements shall also apply to sole source contracts
15 of less than ten thousand dollars if the total amount of such contracts
16 between an agency and the same consultant is ten thousand dollars or
17 more within a fiscal year.

18 **Sec. 9.** RCW 41.06.070 and 1990 c 60 s 101 are each amended to read
19 as follows:

20 The provisions of this chapter do not apply to:

21 (1) The members of the legislature or to any employee of, or
22 position in, the legislative branch of the state government including
23 members, officers, and employees of the legislative council,
24 (~~legislative budget committee~~) joint committee on performance audits,
25 statute law committee, and any interim committee of the legislature;

26 (2) The justices of the supreme court, judges of the court of
27 appeals, judges of the superior courts or of the inferior courts, or to
28 any employee of, or position in the judicial branch of state
29 government;

30 (3) Officers, academic personnel, and employees of state
31 institutions of higher education, the state board for community and
32 technical colleges (~~education~~), and the higher education personnel
33 board;

34 (4) The officers of the Washington state patrol;

35 (5) Elective officers of the state;

36 (6) The chief executive officer of each agency;

37 (7) In the departments of employment security, fisheries, social
38 and health services, the director and his confidential secretary; in

1 all other departments, the executive head of which is an individual
2 appointed by the governor, the director, his confidential secretary,
3 and his statutory assistant directors;

4 (8) In the case of a multimember board, commission, or committee,
5 whether the members thereof are elected, appointed by the governor or
6 other authority, serve ex officio, or are otherwise chosen:

7 (a) All members of such boards, commissions, or committees;

8 (b) If the members of the board, commission, or committee serve on
9 a part-time basis and there is a statutory executive officer: (i) The
10 secretary of the board, commission, or committee; (ii) the chief
11 executive officer of the board, commission, or committee; and (iii) the
12 confidential secretary of the chief executive officer of the board,
13 commission, or committee;

14 (c) If the members of the board, commission, or committee serve on
15 a full-time basis: (i) The chief executive officer or administrative
16 officer as designated by the board, commission, or committee; and (ii)
17 a confidential secretary to the chairman of the board, commission, or
18 committee;

19 (d) If all members of the board, commission, or committee serve ex
20 officio: (i) The chief executive officer; and (ii) the confidential
21 secretary of such chief executive officer;

22 (9) The confidential secretaries and administrative assistants in
23 the immediate offices of the elective officers of the state;

24 (10) Assistant attorneys general;

25 (11) Commissioned and enlisted personnel in the military service of
26 the state;

27 (12) Inmate, student, part-time, or temporary employees, and part-
28 time professional consultants, as defined by the state personnel board
29 or the board having jurisdiction;

30 (13) The public printer or to any employees of or positions in the
31 state printing plant;

32 (14) Officers and employees of the Washington state fruit
33 commission;

34 (15) Officers and employees of the Washington state apple
35 advertising commission;

36 (16) Officers and employees of the Washington state dairy products
37 commission;

38 (17) Officers and employees of the Washington tree fruit research
39 commission;

1 (18) Officers and employees of the Washington state beef
2 commission;

3 (19) Officers and employees of any commission formed under the
4 provisions of chapter 191, Laws of 1955, and chapter 15.66 RCW;

5 (20) Officers and employees of the state wheat commission formed
6 under the provisions of chapter 87, Laws of 1961 (chapter 15.63 RCW);

7 (21) Officers and employees of agricultural commissions formed
8 under the provisions of chapter 256, Laws of 1961 (chapter 15.65 RCW);

9 (22) Officers and employees of the nonprofit corporation formed
10 under chapter 67.40 RCW;

11 (23) Liquor vendors appointed by the Washington state liquor
12 control board pursuant to RCW 66.08.050: PROVIDED, HOWEVER, That rules
13 and regulations adopted by the state personnel board pursuant to RCW
14 41.06.150 regarding the basis for, and procedures to be followed for,
15 the dismissal, suspension, or demotion of an employee, and appeals
16 therefrom shall be fully applicable to liquor vendors except those part
17 time agency vendors employed by the liquor control board when, in
18 addition to the sale of liquor for the state, they sell goods, wares,
19 merchandise, or services as a self-sustaining private retail business;

20 (24) Executive assistants for personnel administration and labor
21 relations in all state agencies employing such executive assistants
22 including but not limited to all departments, offices, commissions,
23 committees, boards, or other bodies subject to the provisions of this
24 chapter and this subsection shall prevail over any provision of law
25 inconsistent herewith unless specific exception is made in such law;

26 (25) In each agency with fifty or more employees: Deputy agency
27 heads, assistant directors or division directors, and not more than
28 three principal policy assistants who report directly to the agency
29 head or deputy agency heads;

30 (26) All employees of the marine employees' commission;

31 (27) Up to a total of five senior staff positions of the western
32 library network under chapter 27.26 RCW responsible for formulating
33 policy or for directing program management of a major administrative
34 unit. This subsection shall expire on June 30, 1997;

35 (28) In addition to the exemptions specifically provided by this
36 chapter, the state personnel board may provide for further exemptions
37 pursuant to the following procedures. The governor or other
38 appropriate elected official may submit requests for exemption to the
39 personnel board stating the reasons for requesting such exemptions.

1 The personnel board shall hold a public hearing, after proper notice,
2 on requests submitted pursuant to this subsection. If the board
3 determines that the position for which exemption is requested is one
4 involving substantial responsibility for the formulation of basic
5 agency or executive policy or one involving directing and controlling
6 program operations of an agency or a major administrative division
7 thereof, the personnel board shall grant the request and such
8 determination shall be final. The total number of additional
9 exemptions permitted under this subsection shall not exceed one hundred
10 eighty-seven for those agencies not directly under the authority of any
11 elected public official other than the governor, and shall not exceed
12 a total of twenty-five for all agencies under the authority of elected
13 public officials other than the governor. The state personnel board
14 shall report to each regular session of the legislature during an odd-
15 numbered year all exemptions granted under subsections (24), (25), and
16 (28) of this section, together with the reasons for such exemptions.

17 The salary and fringe benefits of all positions presently or
18 hereafter exempted except for the chief executive officer of each
19 agency, full-time members of boards and commissions, administrative
20 assistants and confidential secretaries in the immediate office of an
21 elected state official, and the personnel listed in subsections (10)
22 through (22) of this section, shall be determined by the state
23 personnel board.

24 Any person holding a classified position subject to the provisions
25 of this chapter shall, when and if such position is subsequently
26 exempted from the application of this chapter, be afforded the
27 following rights: If such person previously held permanent status in
28 another classified position, such person shall have a right of
29 reversion to the highest class of position previously held, or to a
30 position of similar nature and salary.

31 Any classified employee having civil service status in a classified
32 position who accepts an appointment in an exempt position shall have
33 the right of reversion to the highest class of position previously
34 held, or to a position of similar nature and salary.

35 A person occupying an exempt position who is terminated from the
36 position for gross misconduct or malfeasance does not have the right of
37 reversion to a classified position as provided for in this section.

1 **Sec. 10.** RCW 42.48.060 and 1985 c 334 s 6 are each amended to read
2 as follows:

3 Nothing in this chapter is applicable to, or in any way affects,
4 the powers and duties of the state auditor or the (~~legislative budget~~
5 ~~committee~~) joint committee on performance audits.

6 **Sec. 11.** RCW 43.09.310 and 1981 c 217 s 1 are each amended to read
7 as follows:

8 The state auditor, through the division of departmental audits,
9 shall annually audit the state-wide combined financial statements
10 prepared by the office of financial management and make post-audits of
11 state agencies. Post-audits of state agencies shall be made at such
12 periodic intervals as is determined by the state auditor. Audits of
13 combined financial statements shall include determinations as to the
14 validity and accuracy of accounting methods, procedures and standards
15 utilized in their preparation, as well as the accuracy of the financial
16 statements themselves. A report shall be made of each such audit and
17 post-audit upon completion thereof, and one copy shall be transmitted
18 to the governor, one to the director of financial management, one to
19 the attorney general, one to the state department audited, one to the
20 (~~legislative budget committee~~) joint committee on performance audits,
21 one each to the standing committees on ways and means of the house and
22 senate, one to the chief clerk of the house, one to the secretary of
23 the senate, and at least one shall be kept on file in the office of the
24 state auditor. For purposes of reporting the annual audit of state-
25 wide combined financial statements, "state department audited" refers
26 solely to the office of financial management.

27 **Sec. 12.** RCW 43.79.270 and 1973 c 144 s 2 are each amended to read
28 as follows:

29 Whenever any money, from the federal government, or from other
30 sources, which was not anticipated in the budget approved by the
31 legislature has actually been received and is designated to be spent
32 for a specific purpose, the head of any department, agency, board, or
33 commission through which such expenditure shall be made is to submit to
34 the governor a statement which may be in the form of a request for an
35 allotment amendment setting forth the facts constituting the need for
36 such expenditure and the estimated amount to be expended: PROVIDED,
37 That no expenditure shall be made in excess of the actual amount

1 received, and no money shall be expended for any purpose except the
2 specific purpose for which it was received. A copy of any proposal
3 submitted to the governor to expend money from an appropriated fund or
4 account in excess of appropriations provided by law which is based on
5 the receipt of unanticipated revenues shall be submitted to the
6 (~~legislative budget committee~~) joint committee on performance audits
7 and also to the standing committees on ways and means of the house and
8 senate if the legislature is in session at the same time as it is
9 transmitted to the governor.

10 **Sec. 13.** RCW 43.79.280 and 1973 c 144 s 3 are each amended to read
11 as follows:

12 If the governor approves such estimate in whole or part, he or she
13 shall endorse on each copy of the statement his or her approval,
14 together with a statement of the amount approved in the form of an
15 allotment amendment, and transmit one copy to the head of the
16 department, agency, board, or commission authorizing the expenditure.
17 An identical copy of the governor's statement of approval and a
18 statement of the amount approved for expenditure shall be transmitted
19 simultaneously to the (~~legislative budget committee~~) joint committee
20 on performance audits and also to the standing committee on ways and
21 means of the house and senate of all executive approvals of proposals
22 to expend money in excess of appropriations provided by law.

23 **Sec. 14.** RCW 43.88.020 and 1991 c 358 s 6 are each amended to read
24 as follows:

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

28 (2) "Budget document" means a formal, written statement offered by
29 the governor to the legislature, as provided in RCW 43.88.030.

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

36 (4) "Agency" means and includes every state office, officer, each
37 institution, whether educational, correctional or other, and every

1 department, division, board and commission, except as otherwise
2 provided in this chapter.

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

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

13 (7) "Ensuing biennium" means the fiscal biennium beginning on July
14 1st of the same year in which a regular session of the legislature is
15 held during an odd-numbered year pursuant to Article II, section 12 of
16 the Constitution and which biennium next succeeds the current biennium.

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

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

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

32 (11) "Administrative expenses" means expenditures for: (a)
33 Salaries, wages, and related costs of personnel and (b) operations and
34 maintenance including but not limited to costs of supplies, materials,
35 services, and equipment.

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

38 (13) "Lapse" means the termination of authority to expend an
39 appropriation.

1 (14) "Legislative fiscal committees" means the (~~legislative budget~~
2 ~~committee~~) joint committee on performance audits, the legislative
3 evaluation and accountability program committee, the ways and means
4 committees of the senate and house of representatives, and, where
5 appropriate, the legislative transportation committee.

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

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

13 (17) "Stabilization account" means the budget stabilization account
14 created under RCW 43.88.525 as an account in the general fund of the
15 state treasury.

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

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

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

24 (21) "Estimated revenues" means estimates of revenue in the most
25 recent official economic and revenue forecast prepared under RCW
26 82.33.020, and prepared by the office of financial management for those
27 funds, accounts, and sources for which the office of the economic and
28 revenue forecast council does not prepare an official forecast
29 including estimates of revenues to support financial plans under RCW
30 44.40.070, that are prepared by the office of financial management in
31 consultation with the interagency task force.

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

37 (23) "State budgeting, accounting, and reporting system" means a
38 system that gathers, maintains, and communicates fiscal information.
39 The system links fiscal information beginning with development of

1 agency budget requests through adoption of legislative appropriations
2 to tracking actual receipts and expenditures against approved plans.

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

7 (25) "Statement of proposed expenditures" means a plan prepared by
8 each agency that breaks each appropriation out into monthly detail
9 representing the best estimate of how the appropriation will be
10 expended.

11 (26) "Undesignated fund balance (or deficit)" means unreserved and
12 undesignated current assets or other resources available for
13 expenditure over and above any current liabilities which are expected
14 to be incurred by the close of the fiscal period.

15 **Sec. 15.** RCW 43.88.160 and 1992 c 118 s 8 are each amended to read
16 as follows:

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

25 (1) Governor; director of financial management. The governor,
26 through the director of financial management, shall devise and
27 supervise a modern and complete accounting system for each agency to
28 the end that all revenues, expenditures, receipts, disbursements,
29 resources, and obligations of the state shall be properly and
30 systematically accounted for. The accounting system shall include the
31 development of accurate, timely records and reports of all financial
32 affairs of the state. The system shall also provide for central
33 accounts in the office of financial management at the level of detail
34 deemed necessary by the director to perform central financial
35 management. The director of financial management shall adopt and
36 periodically update an accounting procedures manual. Any agency
37 maintaining its own accounting and reporting system shall comply with
38 the updated accounting procedures manual and the rules of the director

1 adopted under this chapter. An agency may receive a waiver from
2 complying with this requirement if the waiver is approved by the
3 director. Waivers expire at the end of the fiscal biennium for which
4 they are granted. The director shall forward notice of waivers granted
5 to the appropriate legislative fiscal committees. The director of
6 financial management may require such financial, statistical, and other
7 reports as the director deems necessary from all agencies covering any
8 period.

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

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

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

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

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

38 (c) Review any pay and classification plans, and changes
39 thereunder, developed by any agency for their fiscal impact: PROVIDED,

1 That none of the provisions of this subsection shall affect merit
2 systems of personnel management now existing or hereafter established
3 by statute relating to the fixing of qualifications requirements for
4 recruitment, appointment, or promotion of employees of any agency. The
5 director shall advise and confer with agencies including appropriate
6 standing committees of the legislature as may be designated by the
7 speaker of the house and the president of the senate regarding the
8 fiscal impact of such plans and may amend or alter (~~said~~) the plans,
9 except that for the following agencies no amendment or alteration of
10 said plans may be made without the approval of the agency concerned:
11 Agencies headed by elective officials;

12 (d) Fix the number and classes of positions or authorized (~~man~~)
13 worker years of employment for each agency and during the fiscal period
14 amend the determinations previously fixed by the director except that
15 the director shall not be empowered to fix (~~said~~) the number or
16 (~~said~~) the classes for the following: Agencies headed by elective
17 officials;

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

21 (f) Promulgate regulations to effectuate provisions contained in
22 (a) through (e) of this subsection.

23 (5) The treasurer shall:

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

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

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

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

35 It shall be unlawful for the treasurer to issue any warrant or
36 check for public funds in the treasury except upon forms duly
37 prescribed by the director of financial management. (~~Said~~) The forms
38 shall provide for authentication and certification by the agency head
39 or the agency head's designee that the services have been rendered or

1 the materials have been furnished; or, in the case of loans or grants,
2 that the loans or grants are authorized by law; or, in the case of
3 payments for periodic maintenance services to be performed on state
4 owned equipment, that a written contract for such periodic maintenance
5 services is currently in effect and copies thereof are on file with the
6 office of financial management; and the treasurer shall not be liable
7 under the treasurer's surety bond for erroneous or improper payments so
8 made: PROVIDED, That when services are lawfully paid for in advance of
9 full performance by any private individual or business entity other
10 than as provided for by RCW 42.24.035, such individual or entity other
11 than central stores rendering such services shall make a cash deposit
12 or furnish surety bond coverage to the state as shall be fixed in an
13 amount by law, or if not fixed by law, then in such amounts as shall be
14 fixed by the director of the department of general administration but
15 in no case shall such required cash deposit or surety bond be less than
16 an amount which will fully indemnify the state against any and all
17 losses on account of breach of promise to fully perform such services:
18 AND PROVIDED FURTHER, That no payments shall be made in advance for any
19 equipment maintenance services to be performed more than three months
20 after such payment. Any such bond so furnished shall be conditioned
21 that the person, firm or corporation receiving the advance payment will
22 apply it toward performance of the contract. The responsibility for
23 recovery of erroneous or improper payments made under this section
24 shall lie with the agency head or the agency head's designee in
25 accordance with regulations issued pursuant to this chapter. Nothing
26 in this section shall be construed to permit a public body to advance
27 funds to a private service provider pursuant to a grant or loan before
28 services have been rendered or material furnished.

29 (6) The state auditor shall:

30 (a) Report to the legislature the results of current post audits
31 that have been made of the financial transactions of each agency; to
32 this end the auditor may, in the auditor's discretion, examine the
33 books and accounts of any agency, official or employee charged with the
34 receipt, custody or safekeeping of public funds. The current post
35 audit of each agency may include a section on recommendations to the
36 legislature as provided in (c) of this subsection.

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

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

5 Determinations as to whether agencies, in making expenditures,
6 complied with the laws of this state: PROVIDED, That nothing in this
7 section may be construed to grant the state auditor the right to
8 perform performance audits. A performance audit for the purpose of
9 this section is the examination of the effectiveness of the
10 administration, its efficiency, and its adequacy in terms of the
11 programs of departments or agencies as previously approved by the
12 legislature. The authority and responsibility to conduct such an
13 examination shall be vested in the (~~legislative budget committee~~)
14 joint committee on performance audits as prescribed in RCW 44.28.085.

15 (d) Be empowered to take exception to specific expenditures that
16 have been incurred by any agency or to take exception to other
17 practices related in any way to the agency's financial transactions and
18 to cause such exceptions to be made a matter of public record,
19 including disclosure to the agency concerned and to the director of
20 financial management. It shall be the duty of the director of
21 financial management to cause corrective action to be taken promptly,
22 such action to include, as appropriate, the withholding of funds as
23 provided in RCW 43.88.110.

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

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

27 (7) The (~~legislative budget committee~~) joint committee on
28 performance audits may:

29 (a) Make post audits of the financial transactions of any agency
30 and management surveys and program reviews as provided for in RCW
31 44.28.085. To this end the committee may in its discretion examine the
32 books, accounts, and other records of any agency, official, or
33 employee.

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

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

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

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

9 **Sec. 16.** RCW 43.88.205 and 1979 c 151 s 141 are each amended to
10 read as follows:

11 (1) Whenever an agency makes application, enters into a contract or
12 agreement, or submits state plans for participation in, and for grants
13 of federal funds under any federal law, the agency making such
14 application shall at the time of such action, give notice in such form
15 and manner as the director of financial management may prescribe, or
16 the ((~~chairman~~)) chair of the ((~~legislative budget committee~~)) joint
17 committee on performance audits, standing committees on ways and means
18 of the house and senate, the chief clerk of the house, or the secretary
19 of the senate may request.

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

24 (3) Such agency shall promptly furnish such progress reports in
25 relation to each such application, contract, agreement, or state plan
26 as may be requested following the date of the filing of the
27 application, contract, agreement, or state plan; and shall also file
28 with each such officer a final report as to the final disposition of
29 each such application, contract, agreement, or state plan if such is
30 requested.

31 **Sec. 17.** RCW 43.88.230 and 1981 c 270 s 12 are each amended to
32 read as follows:

33 For the purposes of this chapter, the statute law committee, the
34 ((~~legislative budget committee~~)) joint committee on performance audits,
35 the legislative transportation committee, the legislative evaluation
36 and accountability program committee, the office of state actuary, and

1 all legislative standing committees of both houses shall be deemed a
2 part of the legislative branch of state government.

3 **Sec. 18.** RCW 43.88.310 and 1977 ex.s. c 320 s 4 are each amended
4 to read as follows:

5 (1) The legislative auditor, with the concurrence of the
6 (~~legislative budget committee~~) joint committee on performance audits,
7 may file with the attorney general any audit exceptions or other
8 findings of any performance audit, management study, or special report
9 prepared for the (~~legislative budget committee~~) joint committee on
10 performance audits, any standing or special committees of the house or
11 senate, or the entire legislature which indicate a violation of RCW
12 43.88.290.

13 (2) The attorney general shall promptly review each filing received
14 from the legislative auditor and proceed to act thereon as provided in
15 RCW 43.88.300. If for any reason the attorney general is unable to
16 proceed the attorney general shall report this fact and the reasons
17 therefor to the (~~legislative budget committee~~) joint committee on
18 performance audits.

19 **Sec. 19.** RCW 43.88.510 and 1987 c 505 s 37 are each amended to
20 read as follows:

21 Not later than ninety days after the beginning of each biennium,
22 the director of financial management shall submit the compiled list of
23 boards, commissions, councils, and committees, together with the
24 information on each such group, that is required by RCW 43.88.505 to:

25 (1) The speaker of the house and the president of the senate for
26 distribution to the appropriate standing committees, including one copy
27 to the staff of each of the committees;

28 (2) The chair of the (~~legislative budget committee~~) joint
29 committee on performance audits, including a copy to the staff of the
30 committee;

31 (3) The chairs of the committees on ways and means of the senate
32 and house of representatives; and

33 (4) Members of the state government committee of the house of
34 representatives and of the governmental operations committee of the
35 senate, including one copy to the staff of each of the committees.

1 **Sec. 20.** RCW 43.131.050 and 1990 c 297 s 2 are each amended to
2 read as follows:

3 The (~~legislative budget committee~~) joint committee on performance
4 audits shall cause to be conducted a program and fiscal review of any
5 state agency or program scheduled for termination by the processes
6 provided in this chapter. Such program and fiscal review shall be
7 completed and a preliminary report prepared on or before June 30th of
8 the year prior to the date established for termination. Upon
9 completion of its preliminary report, the (~~legislative budget~~
10 ~~committee~~) joint committee on performance audits shall transmit copies
11 of the report to the office of financial management. The office of
12 financial management may then conduct its own program and fiscal review
13 of the agency scheduled for termination and shall prepare a report on
14 or before September 30th of the year prior to the date established for
15 termination. Upon completion of its report the office of financial
16 management shall transmit copies of its report to the (~~legislative~~
17 ~~budget committee~~) joint committee on performance audits. The
18 (~~legislative budget committee~~) joint committee on performance audits
19 shall prepare a final report that includes the reports of both the
20 office of financial management and the (~~legislative budget committee~~)
21 joint committee on performance audits. The (~~legislative budget~~
22 ~~committee~~) joint committee on performance audits and the office of
23 financial management shall, upon request, make available to each other
24 all working papers, studies, and other documents which relate to
25 reports required under this section. The (~~legislative budget~~
26 ~~committee~~) joint committee on performance audits shall transmit the
27 final report to the legislature, to the state agency concerned, to the
28 governor, and to the state library.

29 **Sec. 21.** RCW 43.131.060 and 1988 c 17 s 1 are each amended to read
30 as follows:

31 In conducting the review of a regulatory entity, the (~~legislative~~
32 ~~budget committee~~) joint committee on performance audits shall
33 consider, but not be limited to, the following factors where
34 applicable:

35 (1) The extent to which the regulatory entity has operated in the
36 public interest and fulfilled its statutory obligations;

37 (2) The duties of the regulatory entity and the costs incurred in
38 carrying out those duties;

1 (3) The extent to which the regulatory entity is operating in an
2 efficient, effective, and economical manner;

3 (4) The extent to which the regulatory entity inhibits competition
4 or otherwise adversely affects the state's economic climate;

5 (5) The extent to which the regulatory entity duplicates the
6 activities of other regulatory entities or of the private sector, where
7 appropriate; and

8 (6) The extent to which the absence or modification of regulation
9 would adversely affect, maintain, or improve the public health, safety,
10 or welfare.

11 **Sec. 22.** RCW 43.131.070 and 1977 ex.s. c 289 s 7 are each amended
12 to read as follows:

13 In conducting the review of a state agency other than a regulatory
14 entity, the (~~legislative budget committee~~) joint committee on
15 performance audits shall consider, but not be limited to, the following
16 factors where applicable:

17 (1) The extent to which the state agency has complied with
18 legislative intent;

19 (2) The extent to which the state agency is operating in an
20 efficient and economical manner which results in optimum performance;

21 (3) The extent to which the state agency is operating in the public
22 interest by effectively providing a needed service that should be
23 continued rather than modified, consolidated, or eliminated;

24 (4) The extent to which the state agency duplicates the activities
25 of other state agencies or of the private sector, where appropriate;
26 and

27 (5) The extent to which the termination or modification of the
28 state agency would adversely affect the public health, safety, or
29 welfare.

30 **Sec. 23.** RCW 43.131.080 and 1989 c 175 s 109 are each amended to
31 read as follows:

32 (1) Following receipt of the final report from the (~~legislative~~
33 ~~budget committee~~) joint committee on performance audits, the
34 appropriate committees of reference in the senate and the house of
35 representatives shall each hold a public hearing, unless a joint
36 hearing is held, to consider the final report and any related data.
37 The committees shall also receive testimony from representatives of the

1 state agency or agencies involved, which shall have the burden of
2 demonstrating a public need for its continued existence; and from the
3 governor or the governor's designee, and other interested parties,
4 including the general public.

5 (2) When requested by either of the presiding members of the
6 appropriate senate and house committees of reference, a regulatory
7 entity under review shall mail an announcement of any hearing to the
8 persons it regulates who have requested notice of agency rule-making
9 proceedings as provided in RCW 34.05.320, or who have requested notice
10 of hearings held pursuant to the provisions of this section. On
11 request of either presiding member, such mailing shall include an
12 explanatory statement not exceeding one page in length prepared and
13 supplied by the member's committee.

14 (3) The presiding members of the senate committee on ways and means
15 and the house committee on appropriations may designate one or more
16 liaison members to each committee of reference in their respective
17 chambers for purposes of participating in any hearing and in subsequent
18 committee of reference discussions and to seek a coordinated approach
19 between the committee of reference and the committee they represent in
20 a liaison capacity.

21 (4) Following any hearing under subsection (1) of this section by
22 the committees of reference, such committees may hold additional
23 meetings or hearings to come to a final determination as to whether a
24 state agency has demonstrated a public need for its continued existence
25 or whether modifications in existing procedures are needed. In the
26 event that a committee of reference concludes that a state agency shall
27 be reestablished or modified or its functions transferred elsewhere, it
28 shall make such determination as a bill. No more than one state agency
29 shall be reestablished or modified in any one bill.

30 **Sec. 24.** RCW 43.131.110 and 1977 ex.s. c 289 s 11 are each amended
31 to read as follows:

32 Any reference in this chapter to a committee of the legislature
33 including the (~~legislative budget committee~~) joint committee on
34 performance audits shall also refer to the successor of that committee.

35 **Sec. 25.** RCW 43.136.030 and 1982 1st ex.s. c 35 s 41 are each
36 amended to read as follows:

1 The (~~legislative budget committee~~) joint committee on performance
2 audits shall review each tax preference for termination by the
3 processes provided in this chapter. The review shall be completed and
4 a report prepared on or before June 30th of the year prior to the date
5 established for termination. Upon completion of its report, the
6 (~~legislative budget committee~~) joint committee on performance audits
7 shall transmit copies of the report to the department of revenue. The
8 department of revenue may then conduct its own review of the tax
9 preference scheduled for termination and shall prepare a report on or
10 before September 30th of the year prior to the date established for
11 termination. Upon completion of its report the department of revenue
12 shall transmit copies of its report to the (~~legislative budget~~
13 ~~committee~~) joint committee on performance audits. The (~~legislative~~
14 ~~budget committee~~) joint committee on performance audits shall prepare
15 a final report that includes the reports of both the department of
16 revenue and the (~~legislative budget committee~~) joint committee on
17 performance audits. The (~~legislative budget committee~~) joint
18 committee on performance audits and the department of revenue shall,
19 upon request, make available to each other all working papers, studies,
20 and other documents which relate to reports required under this
21 section. The (~~legislative budget committee~~) joint committee on
22 performance audits shall transmit the final report to all members of
23 the legislature, to the governor, and to the state library.

24 **Sec. 26.** RCW 43.136.040 and 1982 1st ex.s. c 35 s 42 are each
25 amended to read as follows:

26 In reviewing a tax preference, the (~~legislative budget committee~~)
27 joint committee on performance audits shall develop information needed
28 by the legislature to determine if the tax preference should be
29 terminated as scheduled, modified, or reestablished without
30 modification. The (~~legislative budget committee~~) joint committee on
31 performance audits shall consider, but not be limited to, the following
32 factors in the review.

33 (1) The persons or organizations whose state tax liabilities are
34 directly affected by the tax preference.

35 (2) Legislative objectives that might provide a justification for
36 the tax preference.

1 (3) Evidence that the existence of the tax preference has
2 contributed to the achievement of any of the objectives identified in
3 subsection (2) of this section.

4 (4) The extent to which continuation of the tax preference beyond
5 its scheduled termination date might contribute to any of the
6 objectives identified in subsection (2) of this section.

7 (5) Fiscal impacts of the tax preference, including past impacts
8 and expected future impacts if it is not terminated as scheduled.

9 (6) The extent to which termination of the tax preference would
10 affect the distribution of liability for payment of state taxes.

11 **Sec. 27.** RCW 43.136.050 and 1982 1st ex.s. c 35 s 43 are each
12 amended to read as follows:

13 (1) Following receipt of the final report from the (~~legislative~~
14 ~~budget committee~~) joint committee on performance audits, the ways and
15 means committees of the house of representatives and the senate shall
16 jointly hold a public hearing to consider the final report and any
17 related data. The committees shall also receive testimony from the
18 governor, or the governor's designee, and other interested parties,
19 including the general public.

20 (2) Following the joint hearing, the committees may separately hold
21 additional meetings or hearings to come to a final determination as to
22 whether a continuation, modification, or termination of a tax
23 preference is in the public interest. If a committee determines that
24 a tax preference should be continued or modified, it shall make the
25 determination as a bill. No more than one tax preference shall be
26 reestablished or modified in any one bill.

27 **Sec. 28.** RCW 43.163.900 and 1989 c 279 s 24 are each amended to
28 read as follows:

29 The (~~legislative budget committee~~) joint committee on performance
30 audits shall conduct a program and fiscal review of the Washington
31 economic development financial authority. The final report shall be
32 completed by December 1, 1992.

33 **Sec. 29.** RCW 43.250.080 and 1986 c 294 s 8 are each amended to
34 read as follows:

35 At the end of each fiscal year, the state treasurer shall submit to
36 the governor, the state auditor, and the (~~legislative budget~~

1 ~~committee))~~ joint committee on performance audits a summary of the
2 activity of the investment pool. The summary shall indicate the
3 quantity of funds deposited; the earnings of the pool; the investments
4 purchased, sold, or exchanged; the administrative expenses of the
5 investment pool; and such other information as the state treasurer
6 deems relevant.

7 **Sec. 30.** RCW 44.28.010 and 1983 c 52 s 1 are each amended to read
8 as follows:

9 There is hereby created a (~~legislative budget committee~~) joint
10 committee on performance audits which shall consist of eight senators
11 and eight representatives from the legislature. The senate members of
12 the committee shall be appointed by the president of the senate and the
13 house members of the committee shall be appointed by the speaker of the
14 house. Not more than four members from each house shall be from the
15 same political party. Members shall be appointed before the close of
16 each regular session of the legislature during an odd-numbered year:
17 PROVIDED, That if prior to the close of a regular session during an
18 odd-numbered year, the governor issues a proclamation convening the
19 legislature into special session, or the legislature by resolution
20 convenes the legislature into special session, following such regular
21 session, then such appointments shall be made as a matter of closing
22 business of such special session. Members shall be subject to
23 confirmation, as to the senate members by the senate, and as to the
24 house members by the house. In the event of a failure to appoint
25 committee members, either on the part of the president of the senate or
26 on the part of the speaker of the house, or in the event of a refusal
27 by either the senate or the house to confirm appointments on the
28 committee, then the members of the committee from either house in which
29 there is a failure to appoint or confirm shall be elected forthwith by
30 the members of such house.

31 **Sec. 31.** RCW 44.28.050 and 1989 c 137 s 1 are each amended to read
32 as follows:

33 All expenses incurred by the committee, including salaries and
34 expenses of employees, shall be paid upon voucher forms as provided by
35 the auditor. The legislative auditor may be authorized by the
36 (~~legislative budget committee's~~) joint committee on performance
37 audits' executive committee to sign vouchers. Such authorization shall

1 specify a dollar limitation and be set out in writing. A monthly
2 report of such vouchers shall be submitted to the executive committee.
3 If authorization is not given to the legislative auditor then the
4 chair, or the vice-chair in the chair's absence, is authorized to sign
5 vouchers. This authority shall continue until the chair's or vice-
6 chair's successors are selected after each ensuing session of the
7 legislature. Vouchers may be drawn on funds appropriated generally by
8 the legislature for legislative expenses or upon any special
9 appropriation which may be provided by the legislature for the expenses
10 of the committee or both.

11 **Sec. 32.** RCW 44.28.060 and 1975 1st ex.s. c 293 s 13 are each
12 amended to read as follows:

13 The committee shall have the power and duty to appoint its own
14 chairman, vice chairman, and other officers; to make rules and
15 regulations for orderly procedure; to perform, either through the
16 (~~legislative budget committee~~) joint committee on performance audits
17 or through subcommittees of the (~~legislative budget committee~~) joint
18 committee on performance audits, all duties and functions relating to
19 improving the economy, efficiency, and effectiveness of state agency
20 management by performance audits and other staff studies of state
21 government, its officers, boards, committees, commissions,
22 institutions, and other state agencies.

23 **Sec. 33.** RCW 44.28.085 and 1975 1st ex.s. c 293 s 15 are each
24 amended to read as follows:

25 The (~~legislative budget committee~~) joint committee on performance
26 audits shall make management surveys and program reviews as to every
27 public body, officer or employee subject to the provisions of RCW
28 43.09.290 through 43.09.340. The (~~legislative budget committee~~)
29 joint committee on performance audits may also make management surveys
30 and program reviews of local school districts, intermediate school
31 districts, and other units of local government receiving state funds as
32 grants-in-aid or as shared revenues. Management surveys for the
33 purposes of this section shall be an independent examination for the
34 purpose of providing the legislature with an evaluation and report of
35 the manner in which any public agency, officer, administrator, or
36 employee has discharged the responsibility to faithfully, efficiently,
37 and effectively administer any legislative purpose of the state.

1 Program reviews for the purpose of this section shall be an examination
2 of state or local government programs to ascertain whether or not such
3 programs continue to serve their intended purposes, are conducted in an
4 efficient and effective manner, or require modification or elimination:
5 PROVIDED, That nothing in this section shall limit the power or duty of
6 the state auditor to report to the legislature as directed by
7 subsection (3) of RCW 43.88.160 as now or hereafter amended. The
8 authority in this section conferred excludes a like authority in the
9 state auditor.

10 The (~~legislative budget committee~~) joint committee on performance
11 audits shall receive a copy of each report of examination issued by the
12 state auditor under RCW 43.09.310, shall review all such reports, and
13 shall make such recommendations to the legislature and to the state
14 auditor as it deems appropriate.

15 **Sec. 34.** RCW 44.28.086 and 1973 1st ex.s. c 197 s 1 are each
16 amended to read as follows:

17 The (~~legislative budget committee~~) joint committee on performance
18 audits authority for management surveys contained in RCW 44.28.085
19 shall include reviews of program goals and objectives of public bodies,
20 officers or employees to determine conformity with legislative intent
21 and shall include comprehensive performance audits to ensure that
22 agency programs are being conducted in accordance with legislative
23 intent and program goals and objectives.

24 **Sec. 35.** RCW 44.28.087 and 1973 1st ex.s. c 197 s 2 are each
25 amended to read as follows:

26 All agency reports concerning program performance, including
27 administrative review, quality control, and other internal audit or
28 performance reports, as requested by the (~~legislative budget~~
29 ~~committee~~) joint committee on performance audits, shall be furnished
30 by the agency requested to provide such report.

31 **Sec. 36.** RCW 44.28.140 and 1975 1st ex.s. c 293 s 17 are each
32 amended to read as follows:

33 The committee is hereby authorized and empowered to appoint an
34 officer to be known as the legislative auditor, and to fix his or her
35 compensation, who shall be the executive officer of the committee and
36 assist in its duties and shall compile information for the committee.

1 The committee is hereby authorized and empowered to select and employ
2 other clerical, legal, accounting, research and other personnel that it
3 may deem desirable in the performance of its duties, and the
4 compensation and salaries shall be fixed by the (~~legislative budget~~
5 ~~committee~~) joint committee on performance audits.

6 The duties of the legislative auditor shall be as follows:

7 (1) To ascertain the facts and make recommendations to the
8 committee and under their direction to the committees of the state
9 legislature concerning

10 (a) revenues and expenditures of the state; and

11 (b) the organization and functions of the state, its departments,
12 subdivisions and agencies.

13 (2) To assist the several standing committees of the house and
14 senate in consideration of legislation affecting state departments and
15 their efficiency; to appear before other legislative committees and to
16 assist any other legislative committee upon instruction by the
17 (~~legislative budget committee~~) joint committee on performance audits.

18 (3) To provide the legislature with information obtained under the
19 direction of the (~~legislative budget committee~~) joint committee on
20 performance audits.

21 (4) To maintain a record of all work performed by the legislative
22 auditor under the direction of the (~~legislative budget committee~~)
23 joint committee on performance audits and to keep and make available
24 all documents, data and reports submitted to him or her by any
25 legislative committee.

26 **Sec. 37.** RCW 44.40.025 and 1981 c 270 s 15 are each amended to
27 read as follows:

28 In addition to the powers and duties authorized in RCW 44.40.020,
29 the committee and the standing committees on transportation of the
30 house and senate shall, in coordination with the (~~legislative budget~~
31 ~~committee~~) joint committee on performance audits, the legislative
32 evaluation and accountability program committee, and the ways and means
33 committees of the senate and house of representatives, ascertain,
34 study, and/or analyze all available facts and matters relating or
35 pertaining to sources of revenue, appropriations, expenditures, and
36 financial condition of the motor vehicle fund and accounts thereof, the
37 highway safety fund, and all other funds or accounts related to
38 transportation programs of the state.

1 The (~~legislative budget committee~~) joint committee on performance
2 audits, the legislative evaluation and accountability program
3 committee, and the ways and means committees of the senate and house of
4 representatives shall coordinate their activities with the legislative
5 transportation committee in carrying out the committees' powers and
6 duties under chapter 43.88 RCW in matters relating to the
7 transportation programs of the state.

8 **Sec. 38.** RCW 44.70.010 and 1987 c 298 s 7 are each amended to read
9 as follows:

10 (1) The (~~legislative budget committee~~) joint committee on
11 performance audits in cooperation with the committee on governmental
12 operations in the senate and the committee on local government in the
13 house of representatives shall review the authority to establish the
14 special purpose districts under subsection (2) of this section and make
15 recommendations for the continuation, termination, or modification of
16 the special purpose districts. In conducting the review, the following
17 factors shall be considered:

18 (a) The extent to which the special purpose districts have complied
19 with legislative intent;

20 (b) The extent to which the special purpose districts are operating
21 in an efficient and economical manner which results in optimum
22 performance;

23 (c) The extent to which the special purpose districts are operating
24 in the public interest by effectively providing a needed service that
25 should be continued rather than modified, consolidated, or eliminated;

26 (d) The extent to which the special purpose districts duplicate the
27 activities of other special purpose districts or of the private sector,
28 where appropriate; and

29 (e) The extent to which the termination or modification of the
30 special purpose districts would adversely affect the public health,
31 safety, or welfare.

32 (2) By January 1, 1988, a schedule shall be established to review
33 the following districts with the review completed by January 15, 1993:
34 Aquifer protection areas under chapter 36.36 RCW; airport districts
35 under RCW 14.08.290 through 14.08.330; cemetery districts under
36 (~~chapter 68.16~~) RCW 68.52.090 through 68.52.320 and 68.52.900;
37 conservation districts under chapter 89.08 RCW; county rail districts
38 under chapter 36.60 RCW; cultural arts, stadium, and convention

1 districts under chapter 67.38 RCW; diking districts under chapter 85.05
2 RCW; diking and drainage improvement districts under chapter 85.15 RCW;
3 diking, drainage, drainage improvement districts, and sewerage
4 improvement districts under chapter 85.15 RCW; diking, drainage, and
5 irrigation improvement districts under RCW 85.22.010; diking
6 improvement districts under chapter 85.15 RCW; drainage districts under
7 chapter 85.06 RCW; emergency medical services districts under RCW
8 36.32.480; ferry districts under RCW 36.54.080 through 36.54.100; fire
9 protection districts under Title 52 RCW; flood control districts under
10 chapter 86.09 RCW; flood control zone districts under chapter 86.15
11 RCW; health districts under chapter 70.46 RCW; housing authorities
12 under chapter 35.82 RCW; intercounty diking and drainage districts
13 under chapter 85.24 RCW; irrigation districts under Title 87 RCW;
14 irrigation and rehabilitation districts under chapter 87.84 RCW; legal
15 authorities under RCW 87.03.825 through 87.03.840; library districts
16 under chapter 27.12 RCW; metropolitan municipal corporations districts
17 under chapter 35.58 RCW; mosquito control districts under chapter 17.28
18 RCW; operating agencies under chapter 43.52 RCW; county park and
19 recreation service areas under RCW 36.68.400; metropolitan park
20 districts under chapter 35.61 RCW; park and recreation districts under
21 chapter 36.69 RCW; pest districts under chapter 17.12 RCW; port
22 districts under Title 53 RCW; public hospital districts under chapter
23 70.44 RCW; public utility districts under Title 54 RCW; public waterway
24 districts under chapter 91.08 RCW; reclamation districts under chapter
25 89.30 RCW; river and harbor improvement districts under chapter 88.32
26 RCW; road districts under RCW 36.75.060; service districts under
27 chapter 36.83 RCW; sewer districts under Title 56 RCW; sewerage
28 improvement districts under chapter 85.15 RCW; solid waste collection
29 districts under chapter 36.58A RCW; transit districts under chapters
30 36.57 and 36.57A RCW; television reception improvement districts under
31 chapter 36.95 RCW; water districts under Title 57 RCW; regular weed
32 districts under chapter 17.04 RCW; and intercounty weed districts under
33 chapter 17.06 RCW.

34 (3) The recommendations shall be reported to the legislature, the
35 special purpose districts concerned, and the state library.

36 **Sec. 39.** RCW 49.78.210 and 1989 1st ex.s. c 11 s 21 are each
37 amended to read as follows:

1 (1) The department will cease to administer and enforce this
2 (~~(act)~~) chapter and RCW 49.12.350 through 49.12.370 upon the effective
3 date of any federal act it determines, with the consent of the
4 (~~(legislative budget committee)~~) joint committee on performance audits,
5 to be substantially similar, in substance and enforcement, to this
6 (~~(act)~~) chapter and RCW 49.12.350 through 49.12.370. A federal act
7 shall be considered substantially similar even where the duration of
8 leave required or size of employer covered is different than that under
9 this chapter.

10 (2) No employee shall have a private right of action for any
11 alleged violation of this chapter.

12 **Sec. 40.** RCW 67.70.310 and 1982 2nd ex.s. c 7 s 31 are each
13 amended to read as follows:

14 The director of financial management may conduct a management
15 review of the commission's lottery operations to assure that:

16 (1) The manner and time of payment of prizes to the holder of
17 winning tickets or shares is consistent with this chapter and the rules
18 adopted under this chapter;

19 (2) The apportionment of total revenues accruing from the sale of
20 lottery tickets or shares and from all other sources is consistent with
21 this chapter;

22 (3) The manner and type of lottery being conducted, and the
23 expenses incidental thereto, are the most efficient and cost-effective;
24 and

25 (4) The commission is not unnecessarily incurring operating and
26 administrative costs.

27 In conducting a management review, the director of financial
28 management may inspect the books, documents, and records of the
29 commission. Upon completion of a management review, all irregularities
30 shall be reported to the attorney general, the (~~(legislative budget~~
31 ~~committee)~~) joint committee on performance audits, and the state
32 auditor. The director of financial management shall make such
33 recommendations as may be necessary for the most efficient and cost-
34 effective operation of the lottery.

35 **Sec. 41.** RCW 70.95E.070 and 1990 c 114 s 17 are each amended to
36 read as follows:

1 The (~~legislative budget committee~~) joint committee on performance
2 audits in 1994 shall review the fees provided for in chapter 70.95E RCW
3 and report its findings to the legislature not later than July 1, 1995.

4 **Sec. 42.** RCW 70.127.901 and 1988 c 245 s 38 are each amended to
5 read as follows:

6 RCW 70.127.010 through 70.127.270 shall expire on July 1, 1993.
7 The (~~legislative budget committee~~) joint committee on performance
8 audits shall conduct a program and fiscal review of the implementation
9 of RCW 70.127.010 through 70.127.270 by December 31, 1992. The review
10 shall contain recommendations regarding continuation, modification, or
11 elimination of RCW 70.127.010 through 70.127.270.

12 **Sec. 43.** RCW 74.09.415 and 1990 c 296 s 2 are each amended to read
13 as follows:

14 (1) There is hereby established a program to be known as the
15 children's health program.

16 To the extent of available funds:

17 (a) Health care services may be provided to persons who are under
18 eighteen years of age with household incomes at or below the federal
19 poverty level and not otherwise eligible for medical assistance or the
20 limited casualty program for the medically needy.

21 (b) The determination of eligibility of recipients for health care
22 services shall be the responsibility of the department. The
23 application process shall be easy to understand and, to the extent
24 possible, applications shall be made available at local schools and
25 other appropriate locations. The department shall make eligibility
26 determinations within the timeframes for establishing eligibility for
27 children on medical assistance, as defined by RCW 74.09.510.

28 (c) The amount, scope, and duration of health care services
29 provided to eligible children under the children's health program shall
30 be the same as that provided to children under medical assistance, as
31 defined in RCW 74.09.520.

32 (2) The legislature is interested in assessing the effectiveness of
33 the prenatal care program. However, the legislature recognizes the
34 cost and complexity associated with such assessment.

35 The legislature accepts the effectiveness of prenatal and maternity
36 care at improving birth outcomes when these services are received by
37 eligible persons. Therefore, the legislature intends to focus scarce

1 assessment resources to determine the extent to which support services
2 such as child care, psychosocial and nutritional assessment and
3 counseling, case management, transportation, and other support services
4 authorized by (~~this act~~) chapter 296, Laws of 1990 result in receipt
5 of prenatal and maternity care by eligible persons.

6 The University of Washington shall conduct a study, based on a
7 statistically significant state-wide sampling of data, to evaluate the
8 effectiveness of the maternity care access program set forth in RCW
9 74.09.760 through 74.09.820 based on the principles set forth in RCW
10 74.09.770.

11 The University of Washington shall develop a plan and budget for
12 the study in consultation with the (~~legislative budget committee~~)
13 joint committee on performance audits. The (~~legislative budget~~
14 ~~committee~~) joint committee on performance audits shall also monitor
15 the progress of the study.

16 The department of social and health services shall make data and
17 other information available as needed to the University of Washington
18 as required to conduct this study.

19 The study shall determine:

20 (a) The characteristics of women receiving services, including
21 health risk factors;

22 (b) The extent to which access to maternity care and support
23 services have improved in this state as a result of this program;

24 (c) The utilization of services and birth outcomes for women and
25 infants served by this program by type of practitioner;

26 (d) The extent to which birth outcomes for women receiving services
27 under this program have improved in comparison to birth outcomes of
28 nonmedicaid mothers;

29 (e) The impact of increased medicaid reimbursement to physicians on
30 provider participation;

31 (f) The difference between costs for services provided under this
32 program and medicaid reimbursement for the services;

33 (g) The gaps in services, if any, that may still exist for women
34 and their infants as defined by RCW 74.09.790 (1) and (4) served by
35 this program, excluding pregnant substance abusers, and women covered
36 by private health insurance; and

37 (h) The number and mix of services provided to eligible women as
38 defined by subsection (2)(g) of this section and the effect on birth
39 outcomes as compared to nonmedicaid birth outcomes.

1 Results of the study shall be submitted to the (~~legislative budget~~
2 ~~committee~~) joint committee on performance audits and appropriate
3 committees of the legislature, by December 1 of each year through
4 December 1, 1994, beginning with December 1, 1991.

5 **Sec. 44.** RCW 74.21.070 and 1990 1st ex.s. c 6 s 5 are each amended
6 to read as follows:

7 (1) The executive committee shall direct the employment security
8 department and the department of social and health services, or the
9 appropriate successor agencies, subject to the provisions of this
10 chapter and consistent with available funds, to do the following in
11 order to accomplish the purposes of this chapter:

12 (a) To carry out and ensure the development of job readiness
13 training, job development activities, subsidize employment in or
14 through public, private, volunteer, and nonprofit agencies, and provide
15 training funds for enrollees prior to and during employment;

16 (b) To carry out training and education activities as set forth in
17 RCW 74.21.080;

18 (c) To allow enrollees, consistent with available appropriations,
19 to receive the incentive benefit payments while attending higher
20 education and vocational institutions;

21 (d) To fund other related family services, including, but not
22 limited to, child care services for enrollees who participate in the
23 education, training, and work programs authorized by the executive
24 committee;

25 (e) To receive federal and state funds for the family independence
26 program and to otherwise manage the program so as to operate within
27 legislatively determined funding limitations. However, the executive
28 committee has no authority to alter the benchmark standard established
29 by the legislature;

30 (f) To periodically review administration data and evaluation
31 reports and to modify program operations in accordance with state and
32 federal law. Such modifications shall not conflict with waiver
33 agreements between the state and federal agencies and shall be made
34 only after consultation with the (~~legislative budget committee~~) joint
35 committee on performance audits;

36 (g) To determine the level and types of program benefits and
37 incentive benefit payments in accordance with this chapter, together

1 with specific administrative requirements to be met by program
2 enrollees;

3 (h) To authorize other individuals served under aid to families
4 with dependent children--regular and employable to voluntarily seek
5 enrollee status;

6 (i) To establish rules for the treatment of earnings and unearned
7 income by enrollees as set forth in RCW 74.21.180;

8 (j) To establish administrative sanctions consistent with the
9 criteria set forth in RCW 74.21.150(3) which may be applied to
10 enrollees and the conditions under which program benefits may be
11 reduced or terminated;

12 (k) To establish due process procedures as set forth in RCW
13 74.21.110;

14 (l) To establish the conditions under which child care and other
15 related social services, including parent education and counseling,
16 will be provided, subject to the following: Any child care provided
17 under this chapter shall be in accordance with statutory child day care
18 licensure requirements;

19 (m) To provide child care without cost to enrollees whose income is
20 below the maximum authorized income level;

21 (n) To establish copayment requirements for noncash benefits as set
22 forth in RCW 74.21.100;

23 (o) To establish the conditions and terms under which the
24 department may enter into contracts with the public, private, and not-
25 for-profit sectors to provide:

26 (i) Parenting education for parents;

27 (ii) Job readiness training;

28 (iii) Training of state agency employees to work with enrollees in
29 developing plans for self-sufficiency, which include but are not
30 limited to the employability, training, and education plans;

31 (iv) The development of mentoring programs to provide assistance to
32 current recipients through the use of former recipients; and

33 (v) Facilitation of family opportunity councils in the geographical
34 areas sited for implementation of the program;

35 (p) To establish the conditions and terms, and to enter into
36 contracts, under which public, private, and not-for-profit sector jobs
37 will be created and financed by the executive committee and the
38 circumstances under which training for employees or potential employees

1 of public, private, and for-profit employers will be subsidized through
2 the family independence program;

3 (q) To establish the terms and provisions under which training and
4 job development services may be extended to the absent parent(s) of the
5 children of enrollees;

6 (r) To establish the frequency and method for redetermining
7 eligibility;

8 (s) To undertake the acquisition of all such services authorized in
9 this chapter on an exempt basis, as provided in RCW 43.19.1901, from
10 the public bid requirements of RCW 43.19.190 through 43.19.200;

11 (t) To establish a proposed schedule by geographic area for
12 implementation of the family independence program, which shall be
13 submitted to the legislature by January 1, 1988. The executive
14 committee is authorized to periodically stop enrollments in family
15 independence program sites, except for the five treatment sites, for
16 the purpose of managing resources, until such time as sufficient funds
17 become available to reopen enrollments. Until the family independence
18 program is implemented in a particular geographic area, applicants in
19 that area shall continue to be eligible for benefits under the aid to
20 families with dependent children program and shall have a right to
21 convert to the family independence program when it is available in that
22 area in accordance with rules adopted by the executive committee;

23 (u) To determine methods of administration and do all other things
24 necessary to carry out the purposes of this chapter.

25 (2) The executive committee with assistance from the appropriate
26 agencies shall promulgate rules in accordance with chapter 34.05 RCW in
27 order to accomplish the purposes of this chapter. Policy decisions of
28 the executive committee that require rule-making shall not be final
29 until the adoption of the necessary rules.

30 **Sec. 45.** RCW 74.21.140 and 1988 c 43 s 4 are each amended to read
31 as follows:

32 (1) By January 1, 1988, the executive committee shall submit to the
33 legislature:

34 (a) A child-care plan, which may include creative solutions to
35 assist enrollees in making child-care arrangements;

36 (b) In consultation with the superintendent of public instruction,
37 a plan for assisting high school students who are parents or pregnant
38 to remain in school or complete their high school education;

1 (c) A plan for motivating those who are discouraged to seek self-
2 sufficiency through work, education, or training;

3 (d) An employment plan for enrollees; and

4 (e) A plan for phased-in implementation of the family independence
5 program.

6 (2) By January 1, 1988, the (~~legislative budget committee~~) joint
7 committee on performance audits, after consultation with the executive
8 committee, shall submit to the legislature:

9 (a) An evaluation plan satisfactory to the federal government,
10 including a plan for analysis, within available funds, of:

11 (i) The costs and effectiveness of the family independence program;

12 (ii) The extent to which education and training opportunities have
13 led to employment and economic independence;

14 (iii) The extent to which support services have been provided for
15 such education and training opportunities;

16 (iv) The impact of support services, training opportunities, and
17 employment on the well-being of the children and families of enrollees;

18 (v) The impact of the family independence program on the early
19 childhood education assistance program;

20 (vi) A comparison of the family independence program enrollees with
21 a sample of aid to families with dependent children recipients entering
22 assistance between July 1, 1987, through June 30, 1988, to determine
23 the characteristics of the caseloads of the family independence program
24 and the aid to families with dependent children program, including
25 demographic characteristics, employment, training, and educational
26 histories, spells on assistance, and reasons for entry onto and exit
27 from assistance;

28 (vii) Such administrative and operational factors as may be
29 requested by the executive committee;

30 (viii) A longitudinal study over time of a sample of public
31 assistance recipients or persons at risk of becoming eligible for
32 assistance, to determine the causes of public dependency and the impact
33 of changes in the economy or of public programs on dependency, work, or
34 other relevant behaviors of the sample population.

35 (3) The (~~legislative budget committee~~) joint committee on
36 performance audits shall cause the evaluation plan to be implemented as
37 approved by the (~~legislative budget committee~~) joint committee on
38 performance audits in a manner that will insure the independence of the
39 evaluation through appropriate arrangements, which may include

1 contracts, with objective evaluators. The evaluation plan and all
2 evaluation products shall receive the review and comment of evaluation
3 advisory groups to be convened by the Washington institute of public
4 policy and which include representatives of the executive committee,
5 appropriate legislative committee staffs, persons from the state's
6 higher education institutions, staff members of the department and the
7 employment security department, recipients, and former recipients. The
8 reviews shall consider relevance to state policy and budget concerns,
9 methodological procedure, implementation, and results.

10 (4) The first report of this evaluation shall be submitted to the
11 legislature no later than December 1, 1989, and annually thereafter,
12 with a final report due no later than November 15, 1993.

13 **Sec. 46.** RCW 79.01.006 and 1991 c 204 s 1 are each amended to read
14 as follows:

15 (1) Every five years the department of social and health services
16 and other state agencies that operate institutions shall conduct an
17 inventory of all real property subject to the charitable, educational,
18 penal, and reformatory institution account and other real property
19 acquired for institutional purposes or for the benefit of the blind,
20 deaf, mentally ill, developmentally disabled, or otherwise disabled.
21 The inventory shall identify which of those real properties are not
22 needed for state-provided residential care, custody, or treatment. By
23 December 1, 1992, and every five years thereafter the department shall
24 report the results of the inventory to the house of representatives
25 committee on capital facilities and financing, the senate committee on
26 ways and means, and the ~~((legislative budget committee))~~ joint
27 committee on performance audits.

28 (2) Real property identified as not needed for state-provided
29 residential care, custody, or treatment shall be transferred to the
30 corpus of the charitable, educational, penal, and reformatory
31 institution account. This subsection shall not apply to real property
32 subject to binding conditions that conflict with the other provisions
33 of this subsection.

34 (3) The department of natural resources shall manage all property
35 subject to the charitable, educational, penal, and reformatory
36 institution account and, in consultation with the department of social
37 and health services and other affected agencies, shall adopt a plan for
38 the management of real property subject to the account and other real

1 property acquired for institutional purposes or for the benefit of the
2 blind, deaf, mentally ill, developmentally disabled, or otherwise
3 disabled.

4 (a) The plan shall be consistent with state trust land policies and
5 shall be compatible with the needs of institutions adjacent to real
6 property subject to the plan.

7 (b) The plan may be modified as necessary to ensure the quality of
8 future management and to address the acquisition of additional real
9 property.

10 **Sec. 47.** RCW 88.46.920 and 1991 c 200 s 429 are each amended to
11 read as follows:

12 On or before November 15, 1996, the (~~legislative—budget~~
13 ~~committee~~) joint committee on performance audits shall prepare a
14 report to the legislature on the means for future implementation of the
15 provisions in chapter 88.46 RCW.

16 **Sec. 48.** RCW 90.48.465 and 1992 c 174 s 17 are each amended to
17 read as follows:

18 (1) The department shall establish annual fees to collect expenses
19 for issuing and administering each class of permits under RCW
20 90.48.160, 90.48.162, 90.48.260, and 70.95J.020 through 70.95J.090. An
21 initial fee schedule shall be established by rule within one year of
22 March 1, 1989, and thereafter the fee schedule shall be adjusted no
23 more often than once every two years. This fee schedule shall apply to
24 all permits, regardless of date of issuance, and fees shall be assessed
25 prospectively. All fees charged shall be based on factors relating to
26 the complexity of permit issuance and compliance and may be based on
27 pollutant loading and toxicity and be designed to encourage recycling
28 and the reduction of the quantity of pollutants. Fees shall be
29 established in amounts to fully recover and not to exceed expenses
30 incurred by the department in processing permit applications and
31 modifications, monitoring and evaluating compliance with permits,
32 conducting inspections, securing laboratory analysis of samples taken
33 during inspections, reviewing plans and documents directly related to
34 operations of permittees, overseeing performance of delegated
35 pretreatment programs, and supporting the overhead expenses that are
36 directly related to these activities.

1 (2) The annual fee paid by a municipality, as defined in 33 U.S.C.
2 Sec. 1362, for all domestic wastewater facility permits issued under
3 RCW 90.48.162, 90.48.260, and 70.95J.020 through 70.95J.090 shall not
4 exceed the total of a maximum of fifteen cents per month per residence
5 or residential equivalent contributing to the municipality's wastewater
6 system. The department shall adopt by rule a schedule of credits for
7 any municipality engaging in a comprehensive monitoring program beyond
8 the requirements imposed by the department, with the credits available
9 for five years from March 1, 1989, and with the total amount of all
10 credits not to exceed fifty thousand dollars in the five-year period.

11 (3) The department shall ensure that indirect dischargers do not
12 pay twice for the administrative expense of a permit. Accordingly,
13 administrative expenses for permits issued by a municipality under RCW
14 90.48.165 are not recoverable by the department.

15 (4) In establishing fees, the department shall consider the
16 economic impact of fees on small dischargers and the economic impact of
17 fees on public entities required to obtain permits for storm water
18 runoff and shall provide appropriate adjustments.

19 (5) All fees collected under this section shall be deposited in the
20 water quality permit account hereby created in the state treasury.
21 Moneys in the account may be appropriated only for purposes of
22 administering permits under RCW 90.48.160, 90.48.162, 90.48.260, and
23 70.95J.020 through 70.95J.090.

24 (6) The department shall submit an annual report to the legislature
25 showing detailed information on fees collected, actual expenses
26 incurred, and anticipated expenses for the current and following fiscal
27 years.

28 (7) The (~~legislative budget committee~~) joint committee on
29 performance audits in 1993 shall review the fees established under this
30 section and report its findings to the legislature in January 1994.

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