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STATE OF WASHINGTON

LEGISLATIVE BUDGET COMMITTEE

LEGISLATIVE BUILDING
OLYMPIA

PAUL W. ELLIS
LEGISLATIVE AUDITOR

BIENNIAL REPORT, 1955-57

EMPHASIS OF WORK OF BIENNIUM

The Legislative Budget Committee has found it necessary, during the present biennium, to continue the emphasis of preceding committees on those activities of state government which draw most heavily upon the General Fund. These include public school support, public assistance, higher education, and state institutions. It has also continued the practice begun by the two preceding committees of studying the expenditures of all agencies of state government and reporting upon those which appear to be spending in excess of their prorated appropriation and thereby apparently creating the risk of deficiency appropriations. Among the agencies listed, the Committee has devoted very much more attention to state institutions than in both preceding bienniums combined.

Concentration upon the needs of the state institutions has resulted from two important considerations: (1) It is believed that there is more danger from serious waste of state funds by poor planning and execution of expenditures for capital outlay than in any other areas; (2) Also, during any period in which any agency is rapidly expanding its staff, it is more than usually easy to neglect considerations of economy and efficiency and to make both decisions and budgetary requests which are not consistent with either economical government or efficient rendering of services.

In studying state services, the Legislative Budget Committee considered:

(a) That major increases would be requested for operating public schools, higher education, and state institutions and for capital outlay for higher education and state institutions. It also recognized that the public assistance program, including especially the medical welfare program, must be given constant attention to make certain that the costs of these programs bear appropriate relation to the services which the legislature may wish to provide.

(b) That the 1957 legislature would probably want: (1) to continue to provide for improved services at the state institutions; (2) to provide adequately for whatever increases in public school enrollments there may be; (3) to provide adequately for medical care of public assistance recipients and persons who

might be dependent upon the state for their medical treatment, without either paying excessive prices to vendors or permitting excessive services to persons well able to care for themselves; and (4) to provide as adequately as state funds would permit for necessary capital outlay at the institutions of higher education and at the institutions of the Department of Institutions, making reasonably certain that the most urgent needs would be given first consideration.

(c) That the legislature desires the Legislative Budget Committee to continue to watch the expenditure of state funds from appropriations, in order to keep the legislature as adequately informed as possible concerning the possibility of requests for deficiency appropriations.

(d) That the Legislative Budget Committee should provide the 1957 legislature with as much information as the Committee's limited staff would permit for use in passing judgment upon the less expensive areas of state budget.

(e) That substantial changes should be made in the form of budget provided biennially to the legislature.

OUTLINE OF STUDIES

With this background the Legislative Budget Committee concentrated its studies on the following:

1. A consideration of the expansion of staff and development of the organization within the Department of Institutions. Consideration has been given to the ability of the staff of the Central Office and of the institutions to evaluate their needs for expanding services and for orderly and properly caring for the increased needs of the state. Emphasis in several of the institutions has been upon a consideration that an improvement in staff and operational funds may so improve the treatment procedures of some of the institutions as to render less necessary major increases in capital outlay expenditures.

2. Intermittent studies of possible overexpenditures by the various agencies of state government have been made and continued.

3. A special study was made of the operation of Western State Hospital, particularly from the point of view of evaluating the adequacy of fiscal controls and the efficiency of managerial operations.

4. A preparation of summary historical data on appropriations and expenditures for each of the agencies of state government, in the expectation that this will be of major use to the appropriations committees.

5. During the present biennium we were fortunate in being able to obtain the services of a committee of the Washington Society of Certified Public Accountants, as a public service, to explore some of the suggestions that had been made for change in the form and content of the state budget and to indicate the accounting procedures which may be necessary in order to obtain a program type budget. The committee of the Washington Society of Certified Public Accountants has made