The tax rates imposed under this act are effective on the dates designated in this act notwithstanding the date this act becomes law under Article III, section 12 of the state Constitution.

Passed the Senate July 2, 1982.
Passed the House July 2, 1982.
Approved by the Governor July 16, 1982.
Filed in Office of Secretary of State July 16, 1982.

CHAPTER 15
[Senate Bill No. 5033]
GOVERNOR—ALLOTMENT REDUCTIONS

AN ACT Relating to budget and accounting; amending section 43.88.110, chapter 8, Laws of 1965 as last amended by section 5, chapter 270, Laws of 1981 and RCW 43.88.110; amending section 7, chapter 270, Laws of 1981 and RCW 43.88.112; adding a new section to chapter 43.88 RCW; repealing section 1, chapter 263, Laws of 1971 ex. sess., section 7, chapter 293, Laws of 1975 1st ex. sess. and RCW 43.88.115; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 43.88.110, chapter 8, Laws of 1965 as last amended by section 5, chapter 270, Laws of 1981 and RCW 43.88.110 are each amended to read as follows:

Subdivisions (1) ((and (2))) through (4) of this section set forth the expenditure programs and the allotment and reserve procedures to be followed by the executive branch for public funds. Allotments of an appropriation for any fiscal period shall conform to the terms, limits, or conditions of the appropriation.

(1) Before the beginning of the fiscal period, all agencies shall submit to the governor a statement of proposed agency expenditures at such times and in such form as may be required by the governor. The statement of proposed expenditures shall show, among other things, the requested allotments of public funds for the ensuing fiscal period for the agency concerned on a monthly basis for the entire fiscal period. The governor shall review the requested allotments in the light of the agency's plan of work and, with the advice of the director of financial management, the governor may revise or alter agency allotments: PROVIDED, That revision of allotments shall not be made for agencies headed by elective officials pursuant to this subsection. The aggregate of the allotments for an appropriation shall not exceed the total appropriation.

(2) Except for ((agencies headed by elective officials)) the legislative and judicial branches of government, approved allotments may be revised during the course of the fiscal period in accordance with the regulations issued pursuant to this chapter. If at any time during the fiscal period the governor shall ascertain that available revenues for the applicable period will be less than the respective appropriations, the governor shall revise the
allotments concerned so as to prevent the making of expenditures in excess of available revenues. To the same end, ((and with the exception stated in this section for allotments involving agencies headed by elective officials;)) the governor is authorized to withhold and to assign to, and to remove from, a reserve status any portion of an agency appropriation which in the governor's discretion is not needed for the allotment.

No expenditures shall be made from any portion of an appropriation which has been assigned to a reserve status except as provided in this section.

(3) Except as provided in section 3 of this act, for any allotment reduction necessary following adjournment sine die of the 1982 2nd ex. sess. of the legislature based upon the June 1982 office of financial management revenue forecast the governor shall be limited to a uniform percentage allotment reduction: PROVIDED, That the allotments to the superintendent of public instruction for support of state-wide programs shall not be reduced. The provisions of this subsection expire on October 1, 1982.

(4) Except as provided in subsection (3) of this section, the percentage of each agency's allotment assigned to a reserve status under subsection (2) of this section and RCW 43.88.112 may vary among agencies. As a result of any official office of financial management revenue forecast on or after July 30, 1982, for any allotment reduction, the maximum percentage reduction shall not exceed five percent for any given agency's biennial appropriation: PROVIDED, That the allotment reduction to the superintendent of public instruction for support of state-wide programs shall not exceed one percent of the biennial appropriation. If the percentage reduction for a particular agency is less than the maximum reduction applied to other agencies, the governor must declare an emergent need for the variance. The governor's declaration shall be based on one or more of the following reasons, and shall so state:

(a) The protection of public health and safety;
(b) The satisfaction of a constitutional requirement;
(c) The avoidance of a loss of revenue or the protection of a revenue source;
(d) The protection of basic education as provided in RCW 43.88.112.

The declaration shall be transmitted to the committees on ways and means of the senate and house of representatives twenty days prior to the effective date of the declaration. The declaration shall be considered ratified by the legislature unless changed by statute.

The provisions of this subsection expire December 31, 1982.

(5) It is expressly provided that all agencies shall be required to maintain accounting records and to report thereon in the manner prescribed in this chapter and under the regulations issued pursuant to this chapter. The
director of financial management shall monitor agency expenditures to prevent spending patterns which inflate agency expenditures during the second year of a biennium.

((44)) (6) The director of financial management may exempt certain public funds from the allotment controls established under this chapter if it is not practical or necessary to allot the funds. Allotment control exemptions expire at the end of the fiscal biennium for which they are granted. The director of financial management shall report any exemptions granted under this subsection to the legislative fiscal committees.

Sec. 2. Section 7, chapter 270, Laws of 1981 and RCW 43.88.112 are each amended to read as follows:

If at any time during the fiscal period the governor ascertains that available revenues for the applicable period will be less than the respective appropriations, the governor shall revise the allotments for the total funds which are appropriated to the superintendent of public instruction for support of state-wide programs and which ultimately will be distributed to local school districts so as to prevent the making of expenditures in excess of available revenues, but the governor shall not revise the allotments for the superintendent of public instruction for support of state-wide programs by an amount which would result in less than ample provision for the basic education of the children of the state.

NEW SECTION. Sec. 3. There is added to chapter 43.88 RCW a new section to read as follows:

(1) The governor shall order the reduction of allotments of appropriations for executive branch agencies, including those headed by elective officials, except for the superintendent of public instructions' allotments for support of state-wide programs and for the legislative and judicial branches of government, so that the total of the state general fund allotments for those agencies shall be twenty million dollars less than the total of the appropriations for those agencies. The allotment reductions shall be distributed among the agencies by measures which in the governor's judgment enhance the efficiency and productivity of state government, including but not limited to the following:

(a) Cost-savings measures;
(b) Cost-avoidance measures;
(c) Improved management systems; and
(d) Program and personnel reorganizations.

(2) The portion of any appropriation not needed for an allotment as reduced under this section shall lapse. The allotment reductions made under this section are in addition to any allotment reductions which may be made under RCW 43.88.110.

(3) Notwithstanding the provisions of RCW 41.06.150 and rules promulgated thereunder, to carry out the provisions of this section the governor shall have the authority to implement:
(a) Leave without pay;
(b) Reduced workweek;
(c) Reduced workday;
(d) Modified holidays or unaccrued vacation leave;
(e) Reduction in workforce; and
(f) Reduction or elimination of increment increases.

(4) This section shall be deemed to be operative and the amount in this section shall be applied prior to implementation of RCW 43.88.110(3).

(5) This section shall expire on June 30, 1983.

NEW SECTION. Sec. 4. Section 1, chapter 263, Laws of 1971 ex. sess., section 7, chapter 293, Laws of 1975 1st ex. sess. and RCW 43.88.115 are each repealed.

NEW SECTION. Sec. 5. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 6. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate July 2, 1982.
Passed the House July 2, 1982.
Approved by the Governor July 16, 1982.
Filed in Office of Secretary of State July 16, 1982.