

*and economic development for the sole purpose of assisting state international trade fairs. The remaining thirty percent shall be paid to the state treasurer, who is hereby made ex officio treasurer of a fund to be known as the "fair fund," which shall be maintained as a separate and independent fund outside of the state treasury, and made available to the director of agriculture for the sole purpose of assisting fairs in the manner provided in Title 15 RCW. Any moneys collected or paid to the commission under the terms of this chapter and not expended at the time of making its report to the legislature, shall be paid to the state treasurer and be placed in the general fund.*

\*Sec. 9. was vetoed, see message at end of chapter.

Passed the House June 5, 1975.

Passed the Senate June 3, 1975.

Approved by the Governor July 2, 1975 with the exception of section 9 which is vetoed.

Filed in Office of Secretary of State July 2, 1975.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith without my approval as to one section Substitute House Bill No. 591 entitled:

"AN ACT Relating to trade fairs."

Section 9 of the bill increases the revenue to the trade fair fund from three to four percent, and correspondingly decreases the revenue to the general fund derived from horse racing parimutual machines by one percent.

I am advised that the trade fair fund has a current balance in excess of \$150,000, and at the present three percent level of funding receives annually an average of \$130,645. The maximum annual expenditure from the fund to finance fairs both within and outside the United States, including the increased funding allotments and state agency support costs, would be \$155,980. Since domestic fairs are not held on a regular basis, funds accrued during the intervening periods are sufficient to hold such an event at the appropriate time. Therefore the existing revenue base is sufficient for present and projected demands on the fund, and the increase is unwarranted at this time.

With the exception of section 9, which I have vetoed for the reasons stated, the remainder of Substitute House Bill No. 591 is approved."

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## CHAPTER 293

[House Bill No. 675]

### STATE FISCAL MANAGEMENT

AN ACT Relating to state government; amending section 43.09.310, chapter 8, Laws of 1965 as amended by section 2, chapter 170, Laws of 1971 ex. sess. and RCW 43.09.310; amending section 43.62.050, chapter 8, Laws of 1965 and RCW 43.62.050; amending section 43.79.270, chapter 8, Laws of 1965 as amended by section 2, chapter 144, Laws of 1973 and RCW 43.79.270; amending section 43.88.090, chapter 8, Laws of 1965 as amended by section 6, chapter 100, Laws of 1973 1st ex. sess. and RCW 43.88.090; amending section 43.88.110, chapter 8, Laws of 1965 and RCW 43.88.110; amending section 1, chapter 263, Laws of 1971 ex. sess. and RCW 43.88.115; amending section 43.88.160, chapter 8, Laws of 1965 as last amended by section 11, chapter 40, Laws of 1975 and RCW 43.88.160; amending section 1, chapter 248, Laws of 1969 ex. sess. and RCW 43.88.195; amending section 4, chapter 41, Laws of 1967 ex. sess. as amended by section 3, chapter 17, Laws of 1973 2nd ex. sess. a RCW 43.88.205; amending section 43.88.230, chapter 8, Laws of 1965 and RCW 43.88.230; amending section 2, chapter 43, Laws of 1951 and RCW 44.28.060; amending section 4, chapter 43, Laws of 1951 as amended by section 10, chapter 206, Laws of 1955 and RCW 44.28.080; amending section 3, chapter 170, Laws of 1971 ex. sess. and RCW 44.28.085; amending section 6, chapter 43, Laws of 1951 and RCW 44.28.100; amending section 11,

chapter 43, Laws of 1951 as amended by section 9, chapter 206, Laws of 1955 and RCW 44.28.140; amending section 7, chapter 43, Laws of 1951 and RCW 44.28.150; amending section 2, chapter 195, Laws of 1971 ex. sess. and RCW 44.40.025; amending section 4, chapter 25, Laws of 1965 as last amended by section 2, chapter 91, Laws of 1971 ex. sess. and RCW 46.68.041; adding a new section to chapter 43.88 RCW; adding a new section to chapter 44.04 RCW; repealing section 1, chapter 40, Laws of 1971 ex. sess. and RCW 28B.10.180; repealing section 43.79.280, chapter 8, Laws of 1965, section 3, chapter 144, Laws of 1973 and RCW 43.79.280; repealing section 5, chapter 43, Laws of 1951 and RCW 44.28.090; repealing section 2, chapter 148, Laws of 1959 and RCW 44.28.160; declaring an emergency; and providing an effective date.

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

Section 1. Section 43.09.310, chapter 8, Laws of 1965 as amended by section 2, chapter 170, Laws of 1971 ex. sess. and RCW 43.09.310 are each amended to read as follows:

The state auditor, through the division of departmental audits, shall make a post-audit of every state department at such reasonable periodic intervals as he shall determine but in each case an audit shall be conducted every two years. A report shall be made of each post-audit upon completion thereof, ~~((shall be made in sextuplet,))~~ and one copy shall be transmitted to the governor, one to the director of the office of program planning and fiscal management, one to the attorney general, one to the state department audited, one to the legislative budget committee, one each to the standing committees on ways and means of the house and senate, one to the chief clerk of the house, one to the secretary of the senate, and at least one shall be kept on file in the office of the state auditor.

Sec. 2. Section 43.62.050, chapter 8, Laws of 1965 and RCW 43.62.050 are each amended to read as follows:

The board shall develop and maintain student enrollment forecasts of Washington schools, including both public and private, elementary schools, junior high schools, high schools, colleges and universities. The board shall submit reports on such forecasts to the governor ~~((and to)),~~ the legislative budget committee, and the standing committees on ways and means of the house and the senate on or before the fifteenth day of November of each even-numbered year.

\*Sec. 3. Section 43.79.270, chapter 8, Laws of 1965 as amended by section 2, chapter 144, Laws of 1973 and RCW 43.79.270 are each amended to read as follows:

(1) Whenever any money, from the federal government, or from other sources, is expected to be available for expenditure and which was not anticipated in the budget approved by the legislature ((has actually been received)) and is designated to be spent for a specific purpose, the head of any department, agency, board, or commission through which such expenditure shall be made is to submit to the governor a statement ((which may be in the form of a request for an allotment amendment)) setting forth the facts constituting the need for such expenditure and the estimated amount to be expended((- PROVIDED, That no expenditure shall be made in excess of the actual amount received, and no money shall be expended for any purpose except the specific purpose for which it was received)). A copy of any proposal submitted to the governor to expend money ((from an appropriated fund or account in excess of appropriations provided by law)) which is based on the receipt of unanticipated revenues shall be submitted to the legislative budget committee and ((also)) to the standing committees on ways and means of the

house and senate (~~(if the legislature is in session)~~) at the same time as it is transmitted to the governor.

(2) If the governor approves such estimate in whole or in part, he shall endorse on each copy of the statement his approval, together with a statement of the amount recommended for expenditure, and transmit one copy to the legislative budget committee. The committee staff shall compile such expenditure recommendations and periodically submit them for legislative consideration and disposition as set forth in section 12 of this 1975 amendatory act. The committee staff shall also prepare and submit appropriate recommendations as to legislative disposition on each proposal for additional spending recommended by the governor pursuant to this section. The committee shall advise the office of program planning and fiscal management, the affected state agency, and the standing committees on ways and means of the house and senate of all actions on spending proposals recommended by the governor under the terms of this section.

\*Sec. 3. was vetoed, see message at end of chapter.

\*NEW SECTION. Sec. 4. There is added to chapter 43.88 RCW a new section to read as follows:

(1) Federal funds available during a fiscal period which were not anticipated relative to appropriations enacted for that fiscal period shall be used in lieu of funds appropriated from state or local revenue sources wherever possible unless prohibited by federal law, rule, regulation, or other restriction. Exceptions to the fund substitution requirements imposed by this subsection may be granted by a favorable majority vote of the standing committees on ways and means of the house and senate while the legislature is in session or has not been in recess for three days or more. At other times, exceptions may be granted by action of the legislative budget committee.

(2) Unanticipated receipts other than those covered by subsection (1) of this section, available during a fiscal period which were not anticipated relative to appropriations enacted for that fiscal period may also be substituted for appropriated funds by direction of either the legislative budget committee or the standing committees on ways and means of the house and senate in the same manner as federal fund substitutions are handled under subsection (1) of this section.

\*Sec. 4. was vetoed, see message at end of chapter.

Sec. 5. Section 43.88.090, chapter 8, Laws of 1965 as amended by section 6, chapter 100, Laws of 1973 1st ex. sess. and RCW 43.88.090 are each amended to read as follows:

For purposes of developing his budget proposals to the legislature, the governor shall have the power, and it shall be his duty, to require from proper agency officials such detailed estimates and other information in such form and at such times as he shall direct. The estimates for the legislature and the judiciary shall be transmitted to the governor and shall be included in the budget. Estimates for the legislature and for the supreme court shall be included in the budget without revision. Copies of all such estimates shall be transmitted to the (~~legislative budget committee~~) standing committees on ways and means of the house and senate at the same time as they are filed with the governor and the office of program planning and fiscal management. In the year of the gubernatorial election, the governor shall invite the governor-elect or his designee to attend all hearings provided

in RCW 43.88.100; and the governor shall furnish the governor-elect or his designee with such information as will enable him to gain an understanding of the state's budget requirements. The governor-elect or his designee may ask such questions during the hearings and require such information as he deems necessary and may make recommendations in connection with any item of the budget which, with the governor-elect's reasons therefor, shall be presented to the legislature in writing with the budget document. Copies of all such estimates and other required information shall also be submitted to the ~~((legislative budget committee. The governor shall also invite the legislative budget committee to designate one or more persons to be present at all hearings provided in RCW 43.88.100. The designees of the legislative budget committee may also ask such questions during the hearings and require such information as they deem necessary))~~ standing committees on ways and means of the house and senate.

Sec. 6. Section 43.88.110, chapter 8, Laws of 1965 and RCW 43.88.110 are each amended to read as follows:

Subdivisions (1) and (2) of this section set forth the expenditure programs and the allotment and reserve procedures to be followed by the executive branch.

(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 him. The statement of proposed expenditures shall show, among other things, the requested allotments of appropriations for the ensuing fiscal period for the agency concerned for such periods as may be determined by the budget director 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 budget director, he may revise or alter agency allotments: PROVIDED, That revision of allotments shall not be made for ~~((the following:))~~ agencies headed by elective officials ~~((; University of Washington, Washington State University, Central Washington State College, Eastern Washington State College, and Western Washington State College))~~. The aggregate of the allotments for any agency shall not exceed the total of appropriations available to the agency concerned for the fiscal period.

(2) Except for agencies headed by elective officials, ~~((and for institutions for higher education, as provided in this section, the))~~ 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, he 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 ~~((and for institutions for higher education))~~ 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) 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.

Sec. 7. Section 1, chapter 263, Laws of 1971 ex. sess. and RCW 43.88.115 are each amended to read as follows:

Either the legislative budget committee ((rs)) or the standing committees on ways and means of the house and senate are authorized and may order reductions in general fund expenditures for other elected public officials and all public educational agencies and their facilities ((except institutions of higher learning)) up to the amount of reductions which are required by agencies under the control of the governor, to the end that while the independence of such elective offices and educational agencies ((except institutions of higher learning)) be assured, necessary measures of economy shall be shared by all agencies concerned with the functions of government.

Sec. 8. Section 43.88.160, chapter 8, Laws of 1965 as last amended by section 11, chapter 40, Laws of 1975 and RCW 43.88.160 are each amended to read as follows:

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

(1) Governor; director of program planning and fiscal management. The governor, through his director of program planning and fiscal management, shall devise and supervise a modern and complete accounting system for each agency to the end that all revenues, expenditures, receipts, disbursements, resources and obligations of the state shall be properly and systematically accounted for. The accounting system shall include the development of accurate, timely records and reports of all financial affairs of the state. The system shall also provide for comprehensive central accounts in the office of program planning and fiscal management. The director of program planning and fiscal management may require such financial, statistical and other reports as he deems necessary from all agencies covering any period.

In addition, the director of program planning and fiscal management, as agent of the governor, shall:

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

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

(c) Review any pay and classification plans, and changes thereunder, developed by any agency for their fiscal impact: **PROVIDED**, That none of the provisions of this subsection shall affect merit systems of personnel management now existing or hereafter established by statute relating to the fixing of qualifications

requirements for recruitment, appointment, or promotion of employees of any agency. He shall advise and confer with agencies including ~~((the legislative budget committee and the legislative council))~~ appropriate standing committees of the legislature as may be designated by the speaker of the house and the president of the senate regarding the fiscal impact of such plans and may amend or alter said plans, except that for the following agencies no amendment or alteration of said plans may be made without the approval of the agency concerned: Agencies headed by elective officials(~~University of Washington, Washington State University, Central Washington State College, Eastern Washington State College, Western Washington State College, The Evergreen State College, new, four-year state colleges subsequently authorized, professional education employees of the state board for community college education, and the various state community colleges~~)).

(d) Fix the number and classes of positions or authorized man years of employment for each agency and during the fiscal period amend the determinations previously fixed by him except that he shall not be empowered to fix said number or said classes for the following: Agencies headed by elective officials; ~~((University of Washington, Washington State University, Central Washington State College, Eastern Washington State College, Western Washington State College, The Evergreen State College, new, four-year state colleges subsequently authorized, professional education employees of the state board for community college education, and the various state community colleges;))~~

(e) Promulgate regulations to effectuate provisions contained in subsections (a) through (d) hereof.

(2) The treasurer shall:

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

(b) Disburse public funds under his supervision or custody by warrant or check;

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

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

It shall be unlawful for the treasurer to issue any warrant or check for public funds in the treasury except upon forms duly prescribed by the director of program planning and fiscal management. Said forms shall provide for authentication and certification by the agency head or his designee that the services have been rendered or the materials have been furnished; or, in the case of payments for periodic maintenance services to be performed on state-owned equipment, that a written contract for such periodic maintenance services is currently in effect and copies thereof are on file with the office of program planning and fiscal management ~~((and the legislative budget committee))~~; and the treasurer shall not be liable under his surety bond for erroneous or improper payments so made: PROVIDED, That when services are lawfully paid for in advance of full performance by

any private individual or business entity other than as provided for by RCW 42-24.035, such individual or entity other than central stores rendering such services shall make a cash deposit or furnish surety bond coverage to the state as shall be fixed in an amount by law, or if not fixed by law, then in such amounts as shall be fixed by the director of the department of general administration but in no case shall such required cash deposit or surety bond be less than an amount which will fully indemnify the state against any and all losses on account of breach of promise to fully perform such services: AND PROVIDED FURTHER, That no payments shall be made in advance for any equipment maintenance services to be performed more than three months after such payment. Any such bond so furnished shall be conditioned that the person, firm or corporation receiving the advance payment will apply it toward performance of the contract. The responsibility for recovery of erroneous or improper payments made under this section shall lie with the agency head or his designee in accordance with regulations issued pursuant to this chapter.

~~((The auditor's current post audit of each agency may include a separate section setting forth recommendations to the legislature as provided by subsection (3)(c) of this section.))~~

(3) The state auditor shall:

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

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

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

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

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

(e) Shall promptly report any irregularities to the attorney general.

(4) The legislative budget committee may:

(a) Make post audits ~~((of such))~~ of the financial transactions ~~((as it may determine))~~ of any agency and management surveys and program reviews as provided for in RCW 44.28.085 ~~((and))~~ as now or hereafter amended. To this end the committee may in its discretion examine the books ~~((and))~~, accounts, and other records of any agency, official, or employee ~~((charged with the receipt, custody, or safekeeping of public funds)).~~

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

(c) Make ~~((its official))~~ a report ~~((on or before the thirty-first of December which precedes the meeting of))~~ to the legislature~~((The report))~~ which shall ~~((be for the last complete fiscal period and shall))~~ include at least the following:

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

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

~~((iii) A report on the efficiency and accuracy of the post audit operations of the state government)).~~

Sec. 9. Section 1, chapter 248, Laws of 1969 ex. sess. and RCW 43.88.195 are each amended to read as follows:

After August 11, 1969, no state agency, state institution, state institution of higher education, which shall include all state universities, state colleges, and community colleges, shall establish any new accounts or funds which are to be located outside of the state treasury: PROVIDED, That the ~~((state budget director))~~ office of program planning and fiscal management shall be authorized to grant permission for the establishment of such an account or fund outside of the state treasury only when the requesting agency presents compelling reasons of economy and efficiency which could not be achieved by placing such funds in the state treasury. When the ~~((state budget director))~~ director of the office of program planning and fiscal management authorizes the creation of such fund or account, he shall forthwith give written notice of the fact to the ~~((legislative budget committee))~~ standing committees on ways and means of the house and senate.

Sec. 10. Section 4, chapter 41, Laws of 1967 ex. sess. as amended by section 3, chapter 17, Laws of 1973 2nd ex. sess. and RCW 43.88.205 are each amended to read as follows:

(1) Whenever an agency makes application, enters into a contract or agreement, or submits state plans for participation in, and for grants of federal funds under any federal law, the agency making such application shall at the time of such action, give notice in such form and manner as the director of program planning and fiscal management ~~((or any successor agency or committee of the legislature))~~ may prescribe, or the chairman of the legislative budget committee, standing committees on ways and means of the house and senate, the chief clerk of the house, or the secretary of the senate may request.



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

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

Sec. 11. Section 43.88.230, chapter 8, Laws of 1965 and RCW 43.88.230 are each amended to read as follows:

For the purposes of this chapter, ~~((the legislative council,))~~ the statute law committee, the legislative budget committee, and all legislative ~~((interim))~~ standing committees of both houses shall be deemed a part of the legislative branch of state government.

*\*NEW SECTION. Sec. 12. There is added to chapter 44.04 RCW a new section to read as follows:*

(1) *The legislative budget committee is authorized and directed to approve, modify and approve, defer or reject by a majority vote any spending recommendations from unanticipated receipts submitted by the governor during any period during which the legislature is not in session or has been in recess for three days or more.*

(2) *During any period when the legislature is in session or has not been in recess three days or longer, the house and senate standing committees on ways and means are authorized to jointly or separately approve, modify and approve, defer, or reject by a majority vote of each, any spending recommendations from unanticipated receipts which the governor may recommend.*

*\*Sec. 12. was vetoed, see message at end of chapter.*

Sec. 13. Section 2, chapter 43, Laws of 1951 and RCW 44.28.060 are each amended to read as follows:

The committee shall have the power and duty to appoint its own chairman, vice chairman, and other officers; to make rules and regulations for orderly procedure; to perform, either through the legislative budget committee ~~((or through the legislative council))~~ or through subcommittees of the legislative budget committee, all duties and functions relating to ~~((the study of expenditures by the))~~ improving the economy, efficiency, and effectiveness of state agency management by performance audits and other staff studies of state government, its officers, boards, committees, commissions, institutions, and other state agencies.

Sec. 14. Section 4, chapter 43, Laws of 1951 as amended by section 10, chapter 206, Laws of 1955 and RCW 44.28.080 are each amended to read as follows:

The committee shall have the following powers:

(1) To make ~~((current))~~ examinations and reports ~~((concerning the current condition of all state funds, appropriations and other state moneys;))~~ concerning whether or not ~~((such))~~ ap.ropriations are being ~~((currently))~~ expended for the purposes and within the statutory restrictions provided by the legislature; concerning the ~~((current availability))~~ economic outlook and estimates of revenue to meet expenditures ~~((under appropriations));~~ and concerning the organization and

operation of procedures necessary or desirable to ~~((control the expenditures and other fiscal operations of the))~~ promote economy, efficiency, and effectiveness in state government, its officers, boards, committees, commissions, institutions and other state agencies, and to make recommendations and reports to the legislature.

(2) To make such other studies and examinations of ~~((the expenses of the))~~ economy, efficiency, and effectiveness of state government and its state agencies as it may find advisable, and to hear complaints, hold hearings, gather information and make findings of fact with respect thereto.

(3) The committee shall have the power to receive messages and reports in person or in writing from the governor or any other state officials and to study generally any and all business relating to economy, efficiency, and effectiveness in state government and state agencies.

Sec. 15. Section 3, chapter 170, Laws of 1971 ex. sess. and RCW 44.28.085 are each amended to read as follows:

The legislative budget committee ~~((may))~~ shall make management surveys and program reviews as to every public body, officer or employee subject to the provisions of RCW 43.09.290 through 43.09.340. The legislative budget committee may also make management surveys and program reviews of local school districts, intermediate school districts, and other units of local government receiving state funds as grants-in-aid or as shared revenues. Management surveys for the purposes of this section shall be an independent examination for the purpose of providing the legislature with an evaluation and report of the manner in which any public agency, officer, administrator, or employee ~~((of a state agency subject to RCW 43.09.290 through 43.09.340))~~ has discharged ~~((his))~~ the ~~((responsibilities))~~ responsibility to faithfully, efficiently, and effectively administer any legislative purpose of the state. Program reviews for the purpose of this section shall be an examination of ~~((agency))~~ state or local government programs to ascertain whether or not such programs continue to serve their intended purposes, are conducted in an efficient and effective manner, or require modification or elimination: PROVIDED, That nothing in this section shall limit the power or duty of the state auditor to report to the legislature as directed by subsection (3) of RCW 43.88.160 as ~~((amended by this 1971 amendatory act))~~ now or hereafter amended. The authority in this section conferred excludes a like authority in the state auditor.

The legislative budget committee shall receive a copy of each report of examination issued by the state auditor under RCW 43.09.310, shall review all such reports, and shall make such recommendations to the legislature and to the state auditor as it deems appropriate.

Sec. 16. Section 6, chapter 43, Laws of 1951 and RCW 44.28.100 are each amended to read as follows:

The committee shall have the power to make reports from time to time to the members of the legislature ~~((to the legislative council,))~~ and to the public with respect to any of its findings or recommendations. The committee shall keep complete minutes of its meetings. The committee shall make and distribute its final report to the members of the ensuing legislature at least ten days prior to the convening of the legislature.

Sec. 17. Section 11, chapter 43, Laws of 1951 as amended by section 9, chapter 206, Laws of 1955 and RCW 44.28.140 are each amended to read as follows:

The committee is hereby authorized and empowered to appoint an officer to be known as the legislative auditor, and to fix his compensation, who shall be the executive officer of the committee and assist in its duties and shall compile information for the committee. The committee is hereby authorized and empowered to select and employ other clerical, legal, accounting, research and other personnel that it may deem desirable in the performance of its duties, and the compensation and salaries shall be fixed by the legislative budget committee.

The duties of the legislative auditor shall be as follows:

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

(a) ~~((state budget;~~

~~(b)))~~ revenues and expenditures of the state; and

~~((c)))~~ (b) the organization and functions of the state, its departments, subdivisions and agencies.

(2) To assist the ~~((appropriations))~~ several standing committees of the house and senate ~~((respectively,))~~ in consideration of ~~((the budget and all bills carrying express or implied appropriations and all))~~ legislation affecting state departments and their efficiency; to appear before ~~((any))~~ other legislative committees and to assist any other legislative committee~~((s))~~ upon instruction by the legislative budget committee.

(3) To provide the legislature with information obtained under the direction of the legislative budget committee.

(4) To maintain a record of all work performed by the legislative auditor under the direction of the legislative budget committee and to keep and make available all documents, data and reports submitted to him by any legislative committee.

Sec. 18. Section 7, chapter 43, Laws of 1951 and RCW 44.28.150 are each amended to read as follows:

The committee shall cooperate, act and function with ~~((the legislative council))~~ legislative committees and with the councils or committees of other states similar to this committee and with other interstate research organizations.

Sec. 19. Section 2, chapter 195, Laws of 1971 ex. sess. and RCW 44.40.025 are each amended to read as follows:

In addition to the powers and duties authorized in RCW 44.40.020 the committee, the standing committees on ways and means and on transportation and utilities of the house and senate shall, in coordination with the legislative budget committee, ascertain, study, and/or analyze all available facts and matters relating or pertaining to sources of revenue, appropriations, expenditures, and financial condition of the motor vehicle fund and accounts thereof, the highway safety fund, and all other funds related to transportation programs of the state.

Sec. 20. Section 4, chapter 25, Laws of 1965 as last amended by section 2, chapter 91, Laws of 1971 ex. sess. and RCW 46.68.041 are each amended to read as follows:

(1) The department shall forward all funds accruing under the provisions of chapter 46.20 RCW together with a proper identifying, detailed report to the state

treasurer who shall deposit such moneys to the credit of the highway safety fund except as otherwise provided in this section.

(2) One dollar of each fee collected for a temporary instruction permit shall be deposited in the driver education account in the general fund.

(3) Out of each fee of five dollars collected for a driver's license, the sum of three dollars and ten cents shall be deposited in the highway safety fund, and one dollar and ninety cents shall be deposited in the general fund(~~(-PROVIDED; That the legislative budget committee and the legislative transportation committee are directed to jointly review methods for providing adequate financing of the state patrol and report their conclusions to the next session of the legislature commencing after January 1, 1972))~~).

\*NEW SECTION. Sec. 21. The following acts or parts of acts are each hereby repealed:

(1) Section 43.79.280, chapter 8, Laws of 1965, section 3, chapter 144, Laws of 1973 and RCW 43.79.280;

(2) Section 5, chapter 43, Laws of 1951 and RCW 44.28.090;

(3) Section 2, chapter 148, Laws of 1959 and RCW 44.28.160; and

(4) Section 1, chapter 40, Laws of 1971 ex. sess. and RCW 28B.10.180.

\*Sec. 21. was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 22. If any provision of this 1975 amendatory 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. 23. This 1975 amendatory 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 on July 1, 1975.

Passed the House June 4, 1975.

Passed the Senate June 3, 1975.

Approved by the Governor July 2, 1975 with the exception of certain items which are vetoed.

Filed in Office of Secretary of State July 2, 1975.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith without my approval as to several sections House Bill No. 675 entitled:

"AN ACT Relating to state government."

This bill changes, among other things, the existing law as it relates to the expenditure of unanticipated receipts, and delegates to the Legislative Budget Committee the power to approve or disapprove expenditure of such receipts while the Legislature is not in session. During a legislative session, such power of approval would rest with the House and Senate standing committees on Ways and Means. Under existing law, it is the duty of the Governor to review and approve proposals for expenditure of unanticipated receipts with due notice to the Legislative Budget Committee and the Ways and Means Committees of each house.

This bill is one of the latest of a number of bills passed in recent sessions designed to take away from the executive functions and duties which are executive in nature and delegate them instead to legislative committees. I have vetoed several bills or portions of bills which have attempted to accomplish this, and I object to several sections of this bill for the same reasons.

I believe that the interposing of legislative committees into executive functions at best violates the fundamentals of good government. Even more seriously, I am advised that the delegation of such a function to a legislative committee could transform that committee into a "civil office" within the meaning of Article II, section 13 of the Washington State Constitution. This would prevent any member of the Legislature from serving on such a committee, which is an unfortunate result that I do not believe the Legislature intended.

While the Legislature as a whole has the constitutional power to control expenditure of public funds through the appropriation process, I question whether the delegation of such power to a legislative committee is permissible under our constitution, and look on this as even more reason why I cannot approve this kind of procedure.

For these reasons, I have determined to veto sections 3, 4, and 12. Since subsection (1) in section 21 repeals the existing section of the law on approval of expenditure of unanticipated receipts, I have determined also to veto that subsection. I do not believe I am constrained in vetoing the entire section 21 inasmuch as the repealer in subsection (1) constitutes a separate and independent subject by itself.

With those exceptions, the remainder of the bill is approved."

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## CHAPTER 294

[Second Substitute House Bill No. 827]

### PUBLIC DISCLOSURE

AN ACT Relating to open government; amending section 1, chapter 1, Laws of 1973 and RCW 42.17.010; amending section 2, chapter 1, Laws of 1973 and RCW 42.17.020; amending section 4, chapter 1, Laws of 1973 and RCW 42.17.040; amending section 6, chapter 1, Laws of 1973 and RCW 42.17.060; amending section 8, chapter 1, Laws of 1973 and RCW 42.17.080; amending section 9, chapter 1, Laws of 1973 and RCW 42.17.090; amending section 12, chapter 1, Laws of 1973 and RCW 42.17.120; amending section 16, chapter 1, Laws of 1973 and RCW 42.17.160; amending section 17, chapter 1, Laws of 1973 and RCW 42.17.170; amending section 18, chapter 1, Laws of 1973 and RCW 42.17.180; amending section 19, chapter 1, Laws of 1973 and RCW 42.17.190; amending section 24, chapter 1, Laws of 1973 and RCW 42.17.240; amending section 26, chapter 1, Laws of 1973 and RCW 42.17.260; amending section 27, chapter 1, Laws of 1973 and RCW 42.17.270; amending section 29, chapter 1, Laws of 1973 and RCW 42.17.290; amending section 31, chapter 1, Laws of 1973 and RCW 42.17.310; amending section 32, chapter 1, Laws of 1973 and RCW 42.17.320; amending section 33, chapter 1, Laws of 1973 and RCW 42.17.330; amending section 34, chapter 1, Laws of 1973 and RCW 42.17.340; amending section 35, chapter 1, Laws of 1973 and RCW 42.17.350; amending section 36, chapter 1, Laws of 1973 and RCW 42.17.360; amending section 37, chapter 1, Laws of 1973 and RCW 42.17.370; amending section 38, chapter 1, Laws of 1973 and RCW 42.17.380; amending section 40, chapter 1, Laws of 1973 and RCW 42.17.400; adding new sections to chapter 42.17 RCW; creating new sections; and declaring an emergency.

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

Section 1. Section 1, chapter 1, Laws of 1973 and RCW 42.17.010 are each amended to read as follows:

It is hereby declared by the sovereign people to be the public policy of the state of Washington:

(1) That political campaign and lobbying contributions and expenditures be fully disclosed to the public and that secrecy is to be avoided.

(2) That the people have the right to expect from their elected representatives at all levels of government the utmost of integrity, honesty, and fairness in their dealings.

(3) That the people shall be assured that the private financial dealings of their public officials, and of candidates for those offices, present no conflict of interest between the public trust and private interest.