

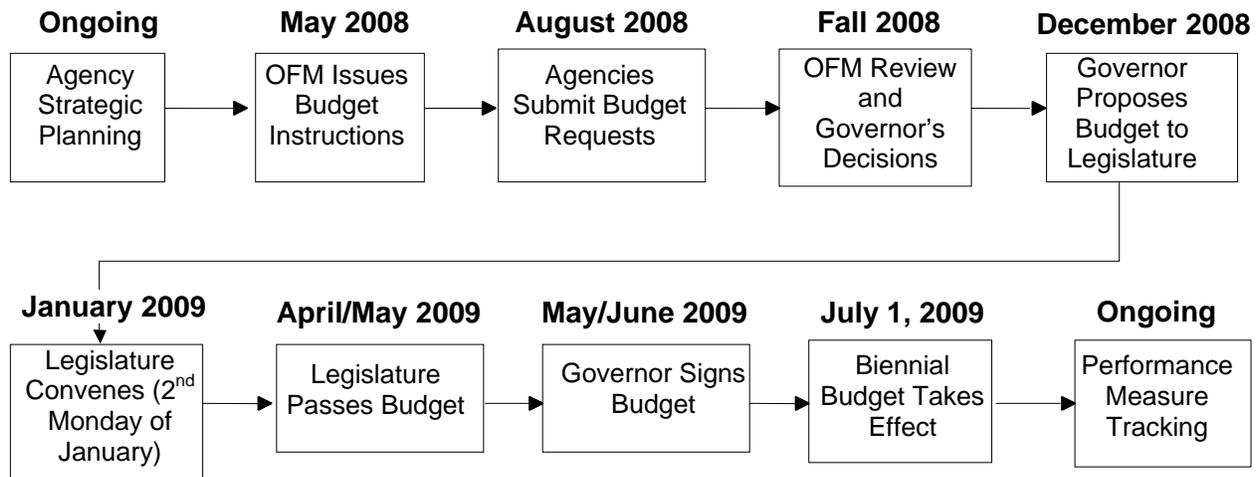


A DESCRIPTION OF Washington State's Budget Process

The Biennial Budget Cycle

Washington enacts budgets for a two-year cycle, beginning on July 1 of each odd-numbered year. The budget approved for the 2007-09 Biennium remains in effect from July 1, 2007 through June 30, 2009. By law, the Governor must propose a biennial budget in December, the month before the Legislature convenes in regular session. The biennial budget enacted by the

Legislature can be modified in any legislative session through changes to the original appropriations. Since the inception of annual legislative sessions in 1979, it has become common for the Legislature to enact annual revisions to the state's biennial budget. These revisions are referred to as supplemental budgets.



Roles and Responsibilities in the Budget Process

State agencies are responsible for developing budget estimates and submitting budget proposals to the Governor. Once the budget is enacted by the Legislature, agencies implement approved policies and programs within the budgetary limits imposed by legislation. Under Washington's budget and accounting statutes, individual agency directors are accountable for carrying out the legal intent of appropriations.

The **Governor** recommends a budget to the Legislature consistent with executive policy priorities. Appropriation bills, like other legislation, are subject to gubernatorial veto authority and may be rejected in part or in their entirety within a defined number of days after legislative passage. After a budget is enacted, the Governor's general administrative duties include monitoring agency expenditures and helping to achieve legislative policy directives.

The **Office of Financial Management** (OFM) coordinates the submittal of agency budget requests and prepares the Governor's budget recommendation to the Legislature. Budget staff from OFM work closely with state agencies to explain and justify planned expenditures. Analysts evaluate all budget requests for consistency with executive policy priorities and to ensure that proposed expenditures match fiscal constraints. OFM is also responsible for maintaining the state's central accounting system and developing certain population and demographic forecasts.

Through appropriations bills, the **Washington State Legislature** mandates the amount of money each state agency can spend and, in varying degrees of detail, directs agencies where and how to spend it. Washington's bicameral legislature consists of 49 senators in the Senate and 98 representatives in the House. Specific fiscal committees have primary responsibility for preparation of the legislative budget. These include the Appropriations, Capital, Finance, and Transportation committees in the House; the Ways and Means, and Highways and Transportation committees in the Senate; and the Legislative Transportation Committee.

The House and Senate employ staff analysts to help review and evaluate the state budget, and to prepare appropriation bills. As with other legislation, if the two houses cannot

agree on a budget or revenue proposal to implement the budget, a conference committee of legislative representatives may be convened to reconcile the differences.

The **Economic and Revenue Forecast Council** is composed of representatives from both the legislative and executive branches. Each fiscal quarter, the Council adopts an official forecast of General Fund-State (GF-S) revenues for the current and (at some point) the ensuing biennia. These forecasts, together with any reserves left over from previous biennia, determine the financial resources available to support estimated expenditures.