

SSB 6636 - S AMD 311
By Senator Brown

NOT ADOPTED 04/07/2012

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 43.88 RCW
4 to read as follows:

5 (1) Beginning in the 2013-2015 biennium, the legislature shall
6 enact an omnibus operating appropriations bill that leaves, in total,
7 a positive ending fund balance.

8 (2) Beginning in the 2013-2015 biennium, the projected maintenance
9 level of the omnibus appropriations bill enacted by the legislature
10 shall not exceed by more than five percent the available fiscal
11 resources for the next biennium.

12 (3) For purposes of this section:

13 (a) "Available fiscal resources" means any general fund moneys to
14 be transferred to the budget stabilization account pursuant to Article
15 VII, section 12 of the state Constitution, the beginning general fund
16 and related fund balances, any funds transferred into the general or
17 related funds, and any fiscal resources estimated for the general fund
18 and related funds;

19 (b) "Projected maintenance level" means costs mandated by state or
20 federal law, but does not include costs associated with court decisions
21 issued during or within ninety days prior to the legislative session,
22 and, in the 2013-2015 and 2015-2017 biennia, it does not include the
23 costs related to the enhanced funding under the new definition of basic
24 education as established in chapter 548, Laws of 2009, and affirmed by
25 the decision in *Mathew McCleary et al., v. The State of Washington*, 173
26 Wn.2d 477, 269 P.3d 227, (2012);

27 (c) "Related funds" means the Washington opportunity pathways
28 account, the education legacy trust account, and such other funds and
29 accounts as determined by the legislature.

1 (4) Subsections (1) and (2) of this section do not apply to an
2 appropriations bill that makes net reductions in general fund and
3 related funds appropriations and is enacted between July 1st and
4 February 15th of any fiscal year.

5 (5) Subsection (2) of this section does not apply in a fiscal
6 biennium in which money is appropriated from the budget stabilization
7 account.

8 **Sec. 2.** RCW 82.33.010 and 1990 c 229 s 1 are each amended to read
9 as follows:

10 (1) The economic and revenue forecast council is hereby created.
11 The council shall consist of two individuals appointed by the governor,
12 the state treasurer or his or her designee, and four individuals, one
13 of whom is appointed by the chairperson of each of the two largest
14 political caucuses in the senate and house of representatives. The
15 chair of the council shall be selected from among the four caucus
16 appointees. The council may select such other officers as the members
17 deem necessary.

18 (2) The council shall employ an economic and revenue forecast
19 supervisor to supervise the preparation of all economic and revenue
20 forecasts and state budget outlooks. As used in this chapter,
21 "supervisor" means the economic and revenue forecast supervisor.
22 Approval by an affirmative vote of at least five members of the council
23 is required for any decisions regarding employment of the supervisor.
24 Employment of the supervisor shall terminate after each term of three
25 years. At the end of the first year of each three-year term the
26 council shall consider extension of the supervisor's term by one year.
27 The council may fix the compensation of the supervisor. The supervisor
28 shall employ staff sufficient to accomplish the purposes of this
29 section.

30 (3) The economic and revenue forecast council shall oversee the
31 preparation of and approve, by an affirmative vote of at least (~~four~~)
32 five members, the official, optimistic, and pessimistic state economic
33 and revenue forecasts prepared under RCW 82.33.020. If the council is
34 unable to approve a forecast before a date required in RCW 82.33.020,
35 the supervisor shall submit the forecast without approval and the
36 forecast shall have the same effect as if approved by the council.

1 (4) The state budget outlook work group shall prepare and the
2 council shall approve, by an affirmative vote of at least five members,
3 the state budget outlook prepared under section 4 of this act. If the
4 council is unable to approve a state budget outlook before a date
5 required in section 4 of this act, the supervisor shall submit the
6 outlook without approval and the outlook shall have the same effect as
7 if approved by the council.

8 (5) A councilmember who does not cast an affirmative vote for
9 approval of the official economic and revenue forecast or the state
10 budget outlook may request, and the supervisor shall provide, an
11 alternative economic and revenue forecast or state budget outlook based
12 on assumptions specified by the member.

13 (~~(+5)~~) (6) Members of the economic and revenue forecast council
14 shall serve without additional compensation but shall be reimbursed for
15 travel expenses in accordance with RCW 44.04.120 while attending
16 sessions of the council or on official business authorized by the
17 council. Nonlegislative members of the council shall be reimbursed for
18 travel expenses in accordance with RCW 43.03.050 and 43.03.060.

19 NEW SECTION. Sec. 3. A new section is added to chapter 82.33 RCW
20 to read as follows:

21 (1) By December 1, 2012, the state budget outlook work group
22 established in section 5 of this act must develop and report on a
23 proposed methodology for preparing the operating budget outlook
24 required under section 4 of this act.

25 (2) The report must include an illustrative application of the
26 proposed methodology to fiscal data and forecasts from fiscal years
27 2000 through 2011, including analysis of the accuracy of the
28 methodology as applied to projections of revenue, caseloads, and
29 expenditures.

30 (3) The work group must recommend the implementation of the
31 provisions of section 1 of this act, including how to ensure that the
32 omnibus operating budget is within projected revenues at the time of
33 adoption and how often the outlook must be updated.

34 (4) The work group must provide the proposed methodology and its
35 report to the office of financial management and the appropriate fiscal
36 committees of the legislature and must make the proposed methodology
37 publicly available on its web site.

1 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.33 RCW
2 to read as follows:

3 (1) To facilitate compliance with, and subject to the terms of,
4 section 1 of this act, the state budget outlook work group shall
5 prepare, subject to the approval of the economic and revenue forecast
6 council under RCW 82.33.010, an official state budget outlook for state
7 revenues and expenditures for the general fund and related funds. In
8 odd-numbered years, the period covered by the November state budget
9 outlook shall be the current fiscal biennium and the next ensuing
10 fiscal biennium. In even-numbered years, the period covered by the
11 November budget outlook shall be the next two ensuing fiscal biennia.
12 The revenue and caseload projections used in the outlook must reflect
13 the most recent official forecasts adopted by the economic and revenue
14 forecast council and the caseload forecast council for the years for
15 which those forecasts are available. The outlook shall clearly state
16 the assumptions used in the baseline expenditure estimates and any
17 adjustments made to those estimates. The outlook shall clearly state
18 the assumptions used in the baseline revenue estimates and any
19 adjustments to those estimates. The outlook must include the impact of
20 previously enacted legislation with a future implementation date.

21 (2) The outlook must:

22 (a) Estimate revenues to and expenditures from the state general
23 fund and related funds. The estimate of ensuing biennium expenditures
24 must focus on maintenance items including, but not limited to,
25 continuation of current programs, forecasted growth of current
26 entitlement programs, and actions required by law, including
27 legislation with a future implementation date. Estimates of ensuing
28 biennium expenditures must exclude policy items including, but not
29 limited to, legislation not yet enacted by the legislature, court
30 decisions enacted within ninety days of a legislative session,
31 collective bargaining agreements not yet approved by the legislature,
32 and changes to levels of funding for employee salaries and benefits
33 unless those changes are required by statute;

34 (b) Address major budget and revenue drivers, including trends and
35 variability in these drivers;

36 (c) Clearly state the assumptions used in the estimates of baseline
37 and projected expenditures and any adjustments made to those estimates;

1 (d) Clearly state the assumptions used in the baseline revenue
2 estimates and any adjustments to those estimates;

3 (e) Include the impact of previously enacted legislation with a
4 future implementation date; and

5 (f) Address other major fiscal factors, such as pension funding
6 status and state general obligation debt.

7 (3) The outlook must also separately include projections based on
8 the revenues and expenditures proposed in the governor's budget
9 documents submitted to the legislature under RCW 43.88.030.

10 (4) The economic and revenue forecast council shall submit state
11 budget outlooks prepared under this section to the governor and the
12 members of the committees on ways and means of the senate and house of
13 representatives, including one copy to the staff of each of the
14 committees, as required by this section.

15 (5) Each January, the state budget outlook work group shall also
16 prepare, subject to the approval of the economic and revenue forecast
17 council, a state budget outlook for state revenues and expenditures
18 that reflects the governor's proposed budget document submitted to the
19 legislature under chapter 43.88 RCW. Within thirty days following
20 enactment of an operating budget by the legislature, the work group
21 shall prepare, subject to the approval of the economic and revenue
22 forecast council, a state budget outlook for state revenues and
23 expenditures that reflects the enacted budget.

24 (6) All agencies of state government shall provide to the
25 supervisor immediate access to all information relating to state budget
26 outlooks.

27 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.33 RCW
28 to read as follows:

29 (1) To promote the free flow of information and to promote
30 legislative input in the preparation of the state budget outlook,
31 immediate access to all information relating to the state budget
32 outlook shall be available to the state budget outlook work group,
33 hereby created. The state budget outlook work group shall consist of
34 staff members selected by the executive head or chairperson of each of
35 the following agencies or committees:

36 (a) Office of financial management, two members;

- 1 (b) Legislative evaluation and accountability program committee,
- 2 one member;
- 3 (c) Office of the state treasurer, one member;
- 4 (d) Office of the state actuary, one member;
- 5 (e) Department of revenue, one member;
- 6 (f) Economic and revenue forecast council, one member;
- 7 (g) Caseload forecast council, one member;
- 8 (h) Ways and means committee of the senate, two members; and
- 9 (i) Ways and means committee of the house of representatives, two
- 10 members.

11 (2) For purposes of the state budget outlook, the state budget
12 outlook work group shall provide technical support and staff to the
13 economic and revenue forecast council. Meetings of the state budget
14 outlook work group may be called by any member of the group for the
15 purpose of preparing the state budget outlook, or of assisting the
16 economic and revenue forecast council in reviewing the state budget
17 outlook.

18 NEW SECTION. **Sec. 6.** If any provision of this act or its
19 application to any person or circumstance is held invalid, the
20 remainder of the act or the application of the provision to other
21 persons or circumstances is not affected."

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By Senator Brown

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22 On page 1, line 2 of the title, after "biennium;" strike the
23 remainder of the title and insert "amending RCW 82.33.010; adding a new
24 section to chapter 43.88 RCW; and adding new sections to chapter 82.33
25 RCW."

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