

# SENATE BILL REPORT

## SHB 2607

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As Reported by Senate Committee On:  
Ways & Means, February 27, 2012

**Title:** An act relating to requiring a six-year budget outlook tied to existing revenues.

**Brief Description:** Requiring a six-year budget outlook tied to existing revenues.

**Sponsors:** House Committee on Ways & Means (originally sponsored by Representatives Alexander, Hunter, Dammeier, Bailey, Parker, Angel, Kristiansen, Ross, Warnick, Seaquist, Haler, Finn, Rivers, Kelley, Dahlquist, Carlyle, Harris, Taylor, Buys, Wilcox, McCune, Orcutt, Zeiger and Shea).

**Brief History:** Passed House: 2/14/12, 97-1.

**Committee Activity:** Ways & Means: 2/20/12, 2/27/12 [DP].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Murray, Chair; Kilmer, Vice Chair, Capital Budget Chair; Zarelli, Ranking Minority Member; Parlette, Ranking Minority Member Capital; Baumgartner, Brown, Conway, Fraser, Harper, Hatfield, Hewitt, Holmquist Newbry, Honeyford, Keiser, Padden, Schoesler and Tom.

**Staff:** Steve Jones (786-7440)

**Background:** The agencies and institutions of state government operate under a biennial operating appropriations act enacted by the Legislature. Under the state Budget and Accounting Act, the Governor is required to submit to the Legislature a biennial budget proposal that is based on existing state revenues, as estimated by the Economic and Revenue Forecast Council, and state caseloads, as estimated by the state Caseload Forecast Council. The Governor may additionally submit proposed expenditures based on revenues derived from proposed changes in revenue statutes.

**Summary of Bill:** In addition to the Governor's proposed budget documents submitted to the Legislature, the Governor's Office of Financial Management (OFM) must submit a six-year budget outlook document that includes expenditure, revenue, and caseload projections for the current fiscal biennium and the two subsequent biennia, based on the policy changes proposed in the Governor's budget. The revenue and caseload projections must be based on

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the official projections adopted by the Economic and Revenue Forecast Council and the Caseload Forecast Council.

The budget outlook must be periodically updated by OFM to reflect the enacted state budget and the quarterly revisions to the official economic and revenue forecast.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: A six-year budget outlook will promote fiscal sustainability by requiring an analysis of the long-term fiscal impacts of budget decisions. Long-term budget outlooks have not been prepared consistently in the past, and this is an important step.

**Persons Testifying:** PRO: Amber Carter, Assn. of WA Business; Neil Strege, WA Roundtable.