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HOUSE BILL 1471

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State of Washington                      62nd Legislature                      2011 Regular Session

By Representatives Bailey, Angel, Alexander, Asay, and Dammeier

Read first time 01/21/11. Referred to Committee on Ways & Means.

1            AN ACT Relating to sustainable operating budgets; adding new  
2 sections to chapter 43.88 RCW; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            NEW SECTION.    **Sec. 1.**    INTENT.    The legislature finds that the  
5 citizens of Washington state are best served by enacting sustainable  
6 operating budgets that:    (1) Focus on the critical programs and  
7 services best provided by government; (2) provide greater continuity in  
8 providing these programs and services over time; and (3) are better  
9 able to accommodate economic downturns.

10           NEW SECTION.    **Sec. 2.**    DEFINITIONS.    The definitions in this  
11 section apply throughout sections 3 and 4 of this act unless the  
12 context clearly requires otherwise.

13           (1) "Ensuing biennium" has the same meaning as defined in RCW  
14 43.88.020(7).

15           (2) "Maintenance level" means the cost of maintaining the ensuing  
16 biennium's service levels into the next following biennium, including  
17 bow waves, mandatory rate changes, and entitlement caseload changes,

1 plus projected traditional policy level items, such as employee  
2 compensation adjustments and pension cost increases.

3 (3) "Near general fund" means the state general fund, pension  
4 funding stabilization account, and the education legacy trust account.

5 (4) "Next following biennium" means the fiscal biennium after the  
6 ensuing biennium.

7 (5) "Operating budget" means the omnibus operating appropriations  
8 act, or any combination of acts that make appropriations for operating  
9 budget purposes.

10 NEW SECTION. **Sec. 3. UNSUSTAINABLE BUDGETS PROHIBITED.** (1) The  
11 governor may not propose, and the legislature may not enact, any  
12 operating budget that is unsustainable in either the ensuing biennium,  
13 or the next following biennium, or both.

14 (2) An operating budget is unsustainable in the ensuing biennium  
15 when, if enacted, it would result in appropriations that exceed the  
16 total of:

17 (a) Forecasted revenue plus beginning fund balances for the near  
18 general fund; and

19 (b) Any portion of the projected ending fund balance in the budget  
20 stabilization account that may be withdrawn under Article VII, section  
21 12(d) (i) or (ii) of the state Constitution.

22 (3) An operating budget is unsustainable in the next following  
23 biennium when the maintenance level projection for that next following  
24 biennium exceeds the total of:

25 (a) Forecasted revenues plus the projected beginning balances for  
26 the near general fund; and

27 (b) Any portion of the projected ending fund balance in the budget  
28 stabilization account that may be withdrawn under Article VII, section  
29 12(d) (i) or (ii) of the state Constitution.

30 (4) Nothing in this section requires the legislature to include  
31 funding for any specific item in its budget.

32 (5) Whether the budget documents proposed by the governor are  
33 sustainable is determined according to information set forth in the  
34 four-year outlook prepared by the office of financial management under  
35 section 4(1) of this act. Whether the budget enacted by the  
36 legislature is determined according to the information set forth in the

1 adjusted four-year outlook prepared by the legislative committees under  
2 section 4(2) of this act.

3 NEW SECTION. **Sec. 4.** FOUR-YEAR BUDGET OUTLOOKS REQUIRED. (1)  
4 When the governor submits his or her operating budget documents to the  
5 legislature as provided in RCW 43.88.030 and 43.88.060, the office of  
6 financial management shall simultaneously publish a four-year outlook  
7 that is based on the governor's budget documents. The revenue and  
8 caseload projections used in the four-year outlook must be based on the  
9 most recent official forecasts adopted by the economic and revenue  
10 forecast council and the caseload forecast council, adjusted by the  
11 office of financial management for policy changes made in the  
12 governor's budget documents.

13 (2) Before the house of representatives or the senate or any  
14 standing committee of either house of the legislature may vote on an  
15 operating budget, the respective house's fiscal committee that has  
16 jurisdiction over the operating budget shall publish a summary document  
17 estimating how that operating budget proposal changes the office of  
18 financial management's four-year outlook published under subsection (1)  
19 of this section. The summary document must be updated to reflect the  
20 most current forecast revisions adopted by the economic and revenue  
21 forecast council and the caseload forecast council. For purposes of  
22 this subsection, "vote" means the vote on a majority recommendation in  
23 the case of a legislative committee and the vote on third reading in  
24 the case of either the senate or the house of representatives.

25 (3) The four-year outlook developed under subsection (1) of this  
26 section and adjusted under subsection (2) of this section must include  
27 an estimate of all budget decisions for which no specific funding  
28 source is identified and for programs with a delayed effective date.

29 NEW SECTION. **Sec. 5.** Sections 2 through 4 of this act are each  
30 added to chapter 43.88 RCW.

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