

SENATE BILL REPORT

SHB 1105

As Reported by Senate Committee On:
Ways & Means, February 9, 2015

Title: An act relating to fiscal matters.

Brief Description: Making 2015 supplemental operating appropriations.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Hunter, Ormsby, Sullivan and Gregerson; by request of Governor Inslee).

Brief History: Passed House: 1/29/15, 83-15.

Committee Activity: Ways & Means: 2/05/15, 2/09/15 [DPA].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Hill, Chair; Braun, Vice Chair; Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Bailey, Becker, Billig, Brown, Conway, Fraser, Hasegawa, Hatfield, Hewitt, Kohl-Welles, O'Ban, Padden, Parlette, Rolfes, Schoesler and Warnick.

Staff: Steve Jones (786-7440)

Background: The state government operates on a fiscal biennium that begins on July 1 of each odd-numbered year. A biennial operating budget is adopted every odd-numbered year. Supplemental budgets typically are enacted in each of the following two years after adoption of the biennial budget. Appropriations are made in the biennial and supplemental budgets for the operation of state government and its various agencies and institutions, including higher education, social services, natural resources, and K-12 public schools.

The 2013-15 Biennial Operating Budget was enacted in 2013 and a supplemental operating budget was adopted in 2014.

Under the state Constitution, 1 percent of general state revenues is deposited into the Budget Stabilization Account (BSA) each fiscal year, as is any extraordinary revenue growth. The Legislature may appropriate from the BSA by a constitutional (simple) majority of each chamber of the Legislature if: (1) forecasted state employment growth for the fiscal year is less than 1 percent; (2) the Governor declares an emergency resulting from a catastrophic

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event; or (3) the balance in the account exceeds 10 percent of general state revenues for the fiscal year. All other appropriations from the BSA require a three-fifths affirmative vote of each chamber of the Legislature.

The Economic and Revenue Forecast Council prepares an official forecast of state revenue four times each year.

Summary of Bill (Recommended Amendments): Supplemental changes are made to the 2013-15 Biennial Operating Budget relating to funding for fires and disasters, children and family services, mental health services, and the judgment against the state in *Rekhter v. Washington Department of Social and Health Services* (home care workers' compensation).

State Near General Fund plus Opportunity Pathways Account appropriations for the 2013-15 biennium are increased by \$66.2 million. In addition \$77.2 million is appropriated from the BSA for fires and other disasters, including mobilization, response, and recovery. The total biennial state budget is increased by \$217.9 million.

The Economic and Revenue Forecast Council must produce a February 2015 revenue forecast in lieu of the required March 2015 forecast.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Amendments): Appropriations are modified. In addition, the Economic and Revenue Forecast Council is directed to produce a February 2015 revenue forecast in lieu of the March 2015 forecast.

Appropriation: Various.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony as Heard in Committee: PRO: The supplemental appropriations for the state's child welfare system provide important and needed resources for foster care services, including supervised parental visitations and extended foster care.

Persons Testifying: PRO: Laurie Lippold, Partners for Our Children.