

SENATE BILL REPORT

SB 5064

As Reported by Senate Committee On:
Ways & Means, January 15, 2015

Title: An act relating to providing that a quarterly revenue forecast is due on February 20th during both a long and short legislative session year.

Brief Description: Providing that a quarterly revenue forecast is due on February 20th during both a long and short legislative session year.

Sponsors: Senators Hill, Ericksen, Dammeier, Sheldon, Warnick, Frockt, Hewitt and Mullet.

Brief History:

Committee Activity: Ways & Means: 1/13/15, 1/15/15 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

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; Ranker, Ranking Minority Member, Operating; 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 Economic and Revenue Forecast Council is an independent state agency responsible for providing the state economic and revenue forecasts. The Council consists of two appointees of the Governor, the State Treasurer, and four appointees from the two largest caucuses of the Senate and House of Representatives. Four times each year, the Council must prepare an official state economic and revenue forecast. The forecasts are submitted to the Governor and Legislature on or before February 20 in even-numbered years and March 20 in odd-numbered years, as well as June 27, September 27, and November 20.

In odd-numbered years a regular legislative session is up to 105 days long and is when the biennial budget is enacted. In even-numbered years a regular legislative session is up to 60 days long and supplemental budgets to the biennial budget are enacted.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill: The first forecast of each calendar year must be submitted to the Governor and the Legislature on or before February 20. The provision for a March 20 forecast in odd-numbered years is removed.

Appropriation: None.

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: PRO: This is a simple concept – the Legislature can't write the state budget until the state revenue forecast is submitted. This proposal would give the Legislature an additional month to work on the state budget. By enacting the budget earlier, state agencies and local governments would have more time to plan and implement the budget. School districts in particular would have an easier time planning their budgets. Delaying the state revenue forecast until March 20 guarantees that the budget won't be enacted during the 105-day regular session, and a special session will be needed. The state budget involves numerous changes in state policy, and more time for budget development will allow more time to refine the various policy proposals. This will result in better legislative outcomes.

OTHER: The executive branch views this proposal as a legislative decision, not an executive decision. The executive branch defers to the legislative branch on this issue.

Persons Testifying: PRO: Senator Hill, prime sponsor; Amber Carter, Assn. of WA Business; Paul Guppy, WA Policy Center.

OTHER: John Lane, Office of Financial Management.