
HOUSE BILL 2152

State of Washington

66th Legislature

2019 Regular Session

By Representatives Stokesbary, Volz, Hoff, Kraft, Dye, MacEwen, and Vick

Read first time 03/21/19. Referred to Committee on Appropriations.

1 AN ACT Relating to extending the period through which a state
2 budget must be balanced; amending RCW 43.88.055 and 82.33.060;
3 reenacting and amending RCW 82.33.020; and providing an effective
4 date.

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

6 **Sec. 1.** RCW 43.88.055 and 2012 1st sp.s. c 8 s 1 are each
7 amended to read as follows:

8 (1) The legislature must adopt a four-year balanced budget as
9 follows:

10 (a) Beginning in the 2013-2015 fiscal biennium, the legislature
11 shall enact a balanced omnibus operating appropriations bill that
12 leaves, in total, a positive ending fund balance in the general fund
13 and related funds.

14 (b) Beginning in the 2013-2015 fiscal biennium and ending with
15 the 2019-2021 biennium, the projected maintenance level of the
16 omnibus appropriations bill enacted by the legislature shall not
17 exceed the available fiscal resources for the next ensuing fiscal
18 biennium.

19 (c) Beginning in the 2021-2023 fiscal biennium, the projected
20 maintenance level of the omnibus appropriations bill enacted by the

1 legislature shall not exceed the available fiscal resources for each
2 of the next two ensuing fiscal biennia.

3 (2) For purposes of this section:

4 (a) "Available fiscal resources" means the beginning general fund
5 and related fund balances and any fiscal resources estimated for the
6 general fund and related funds, adjusted for enacted legislation, and
7 with forecasted revenues adjusted to the greater of (i) the official
8 general fund and related funds revenue forecast for the ensuing
9 (~~biennium~~) biennia, or (ii) the official general fund and related
10 funds forecast for the second fiscal year of the current fiscal
11 biennium, increased by 4.5 percent for each fiscal year of the two
12 ensuing (~~biennium~~) biennia;

13 (b) "Projected maintenance level" means estimated appropriations
14 necessary to maintain the continuing costs of program and service
15 levels either funded in that appropriations bill or mandated by other
16 state or federal law, and the amount of any general fund moneys
17 projected to be transferred to the budget stabilization account
18 pursuant to Article VII, section 12 of the state Constitution (~~(, but~~
19 ~~does not include in the 2013-2015 and 2015-2017 fiscal biennia the~~
20 ~~costs related to the enhanced funding under the new definition of~~
21 ~~basic education as established in chapter 548, Laws of 2009, and~~
22 ~~affirmed by the decision in Mathew McCleary et al., v. The State of~~
23 ~~Washington, 173 Wn.2d 477, 269 P.3d 227, (2012), from which the~~
24 ~~short-term exclusion of these obligations is solely for the purposes~~
25 ~~of calculating this estimate and does not in any way indicate an~~
26 ~~intent to avoid full funding of these obligations));~~

27 (c) "Related funds," as used in this section, means the
28 Washington opportunity pathways account and the education legacy
29 trust account.

30 (3) Subsection (1) (~~(a) and (b)~~) of this section does not apply
31 to an appropriations bill that makes net reductions in general fund
32 and related funds appropriations and is enacted between July 1st and
33 February 15th of any fiscal year.

34 (4) Subsection (1) (b) and (c) of this section (~~does~~) do not
35 apply in a fiscal biennium in which money is appropriated from the
36 budget stabilization account.

37 **Sec. 2.** RCW 82.33.020 and 2015 c 3 s 14 are each reenacted and
38 amended to read as follows:

1 (1) Four times each year the supervisor must prepare, subject to
2 the approval of the economic and revenue forecast council under RCW
3 82.33.010:

4 (a) An official state economic and revenue forecast;

5 (b) An unofficial state economic and revenue forecast based on
6 optimistic economic and revenue projections; and

7 (c) An unofficial state economic and revenue forecast based on
8 pessimistic economic and revenue projections.

9 (2) The supervisor must submit forecasts prepared under this
10 section, along with any unofficial forecasts provided under RCW
11 82.33.010, to the governor and the members of the committees on ways
12 and means and the chairs of the committees on transportation of the
13 senate and house of representatives, including one copy to the staff
14 of each of the committees, on or before November 20th, February 20th
15 in the even-numbered years, March 20th in the odd-numbered years,
16 June 27th, and September 27th. In fiscal year 2015, the March 20th
17 forecast shall be submitted on or before February 20, 2015. All
18 forecasts must include both estimated receipts and estimated revenues
19 in conformance with generally accepted accounting principles as
20 provided by RCW 43.88.037. In odd-numbered years, the period covered
21 by forecasts for the state general fund and related funds must cover
22 the current fiscal biennium and the next two ensuing fiscal
23 (~~biennium~~) biennia. In even-numbered years, the period covered by
24 the forecasts for the state general fund and related funds shall be
25 current fiscal and the next (~~two~~) three ensuing fiscal biennia.

26 (3) All agencies of state government must provide to the
27 supervisor immediate access to all information relating to economic
28 and revenue forecasts. Revenue collection information must be
29 available to the supervisor the first business day following the
30 conclusion of each collection period.

31 (4) The economic and revenue forecast supervisor and staff must
32 collocate and share information, data, and files with the tax research
33 section of the department of revenue but may not duplicate the duties
34 and functions of one another.

35 (5) As part of its forecasts under subsection (1) of this
36 section, the supervisor must provide estimated revenue from tuition
37 fees as defined in RCW 28B.15.020.

38 (6) The economic and revenue forecast council must, in
39 consultation with the economic and revenue forecast work group
40 created in RCW 82.33.040, review the existing economic and revenue

1 forecast council revenue model, data, and methodologies and in light
2 of recent economic changes, engage outside experts if necessary, and
3 recommend changes to the economic and revenue forecast council
4 revenue forecasting process to increase confidence and promote
5 accuracy in the revenue forecast. The recommendations are due by
6 September 30, 2012, and every five years thereafter.

7 **Sec. 3.** RCW 82.33.060 and 2012 1st sp.s. c 8 s 4 are each
8 amended to read as follows:

9 (1) To facilitate compliance with, and subject to the terms of,
10 RCW 43.88.055, the state budget outlook work group shall prepare,
11 subject to the approval of the economic and revenue forecast council
12 under RCW 82.33.010, an official state budget outlook for state
13 revenues and expenditures for the general fund and related funds. In
14 odd-numbered years, the period covered by the November state budget
15 outlook shall be the current fiscal biennium and the next ensuing two
16 fiscal (~~(biennium)~~) biennia. In even-numbered years, the period
17 covered by the November state budget outlook shall be the next
18 (~~(two)~~) three ensuing fiscal biennia. The revenue and caseload
19 projections used in the outlook must reflect the most recent official
20 forecasts adopted by the economic and revenue forecast council and
21 the caseload forecast council for the years for which those forecasts
22 are available.

23 (2) The outlook must:

24 (a) Estimate revenues to and expenditures from the state general
25 fund and related funds. The estimate of ensuing (~~(biennium)~~) biennia
26 expenditures must include maintenance items including, but not
27 limited to, continuation of current programs, forecasted growth of
28 current entitlement programs, and actions required by law, including
29 legislation with a future implementation date. Estimates of ensuing
30 (~~(biennium)~~) biennia expenditures must exclude policy items
31 including, but not limited to, legislation not yet enacted by the
32 legislature, collective bargaining agreements not yet approved by the
33 legislature, and changes to levels of funding for employee salaries
34 and benefits unless those changes are required by statute. Estimated
35 maintenance level expenditures must also exclude costs of court
36 rulings issued during or within fewer than ninety days before the
37 beginning of the current legislative session;

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

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

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

6 (e) Include the impact of previously enacted legislation with a
7 future implementation date.

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

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

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

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

28 (7) The state budget outlook work group must publish its proposed
29 methodology on the economic and revenue forecast council web site.
30 The state budget outlook work group, in consultation with the
31 economic and revenue forecast work group and outside experts if
32 necessary, must analyze the extent to which the proposed methodology
33 for projecting expenditures for the ensuing fiscal biennia may be
34 reliably used to determine the future impact of appropriations and
35 make recommendations to change the outlook process to increase
36 reliability and accuracy. The recommendations are due by December 1,
37 2013, and every five years thereafter.

1 NEW SECTION. **Sec. 4.** This act takes effect November 1, 2020.

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