Windows
Into The Budget
Senator Andy Hill

#3: Getting done on time

Welcome to the third installment of "Windows into the Budget," a series designed to inform and engage the public about critical budget issues in Olympia.

This edition features three common sense proposals to compel timely adjournment and safeguard against state government shutdowns in the future.

After every experience, good or bad, there are lessons to be learned. While I am proud of the biennial budget adopted in 2013 (see Windows #1), the fact it nearly took a government shutdown before agreement was reached was a deep black mark on the process. Taxpayers, those who rely on government services, and state employees have a right to expect better.

Below are three proposals to address this. Taken together, these should provide strong incentives for timely adoption of a state budget and completion of the people's business.

1. Move up the date of the revenue forecast

There is a structural impediment to timely adoption of a biennial budget: the revenue forecast that forms the basis of the budget's resources is not released until 2/3rds of the way through session. As a practical matter, it typically takes two weeks after receiving this forecast before both chambers have released and passed their respective budgets, leaving scant time for negotiations and agreement.

The policy solution? Move up the long-session revenue forecast by one month to February 20th, aligning it with the forecast date for the short session. This allows budget writers to release their proposals one month earlier than under current practice, thus allowing more time for negotiation. The state's chief economist who produces the forecast has said he does not believe a one month change would materially alter the forecast's accuracy.

This legislation (SB 5910) was introduced last session. It passed the Senate unanimously, but did not receive a hearing in the House of Representatives.

2. Prohibit fundraising until budget passed by Legislature

There is a time for lawmaking and time for campaigning and the two should be separate and distinct. That's the clear intent of Washington's campaign finance laws, which prohibit legislators and state elected officials from fundraising during a legislative session and 30 days before the session.

This past year demonstrated a weakness in the law. Following the regular session, the governor ordered a special session to commence two weeks later. During this two week break, legislators and the governor were free to solicit and receive campaign contributions, despite not having completed the session's most important task: adopting an operating budget.

The problem with this "loophole" is two-fold, as demonstrated this past year:

- First, it violates the spirit of the state's campaign finance laws. Fundraising and lawmaking are supposed to operate in distinct and separate time spheres, to eliminate appearances of impropriety and allegations of funny business or favors while publicly elected officials are contemplating laws. This is undone by the ability to solicit funds while still deliberating on a multi-billion dollar state spending plan.

- Second, it creates a perverse incentive to not immediately call a special session. It's no secret that this fundraising loophole was a primary reason for the governor calling a two-week break between the conclusion of the regular session and the start of the special session, as certain officials wanted to raise funds for elections. This ultimately served to drag out the process two weeks longer than necessary.

The solution? Extend the fundraising freeze to apply to any period the Legislature is not in session in odd-numbered years if lawmakers have not adopted and submitted to the governor an operating budget for the ensuing biennium.

This aligns with the underlying intent of the fundraising freeze and eliminates the perverse incentive to not immediately call a special session.

Finally, one other loophole should be closed: the ability of the governor to fundraise during the 20 days following adjournment in which he or she is making decisions on whether or not to sign legislation. In this role, the governor is acting in a lawmaking capacity with the ultimate ability to enact or prevent legislation from becoming law. As such, the fundraising freeze should apply during this time. This in fact was the law prior to 2007.

3. Prohibit pay raises unless budget is passed during regular session

The third piece of reform legislation is a constitutional amendment that fits into the "earn your pay increase" category.

The amendment would dictate that any change in salary for legislators proposed by the Citizens' Salary Commission for Elected Officials only takes effect if the Legislature passes an operating budget during the regular session. The requirement only applies to the long-session, as salaries are adjusted by the Commission every two years.

Legislators won't lose any current pay if they don't adjourn on time with an adopted budget, but they will not be granted a pay raise. This should change the incentive structure quite a bit, as a 2% pay increase over two years adds up to real money at stake for legislators.

The Window's Reflection

The threat of a government shutdown this past year was unnecessary and needs to be prevented in the future.

The three common sense proposals outlined in this piece – moving up the date of the revenue forecast, prohibiting fundraising when a budget has yet to be adopted and tying legislator salary increases to a timely budget adoption – will go a long way toward ensuring the people's business gets completed on time.