



Washington State
School Directors' Association

Legislative Update

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Revenue forecast up by \$121 million

The state's chief economist [briefed legislators](#) today with a little good news: for the fiscal year ending June 30th, revenues are up by \$110 million, and for the 2013-15 biennium, revenues are projected to be up \$121 million. While both numbers are a drop in the bucket compared to the overall size of a \$32 billion budget, at least it isn't a step backwards.

In his [report](#), Steve Lerch said that housing activity, construction and strong auto sales are helping boost the state's economic fortunes. Consumer confidence is continuing to improve and while exports were down a bit through April, in May Boeing had 19 airplane deliveries. Lerch is the executive director of the state's [Economic and Revenue Forecast Council](#).

In an extremely brief media availability following the end of the forecast briefing, House and Senate budget negotiators said the revenue increase, while slight, should make it easier to wrap up an operating budget soon.

House Appropriations Chair Ross Hunter, D-Medina, said the caseload forecast scheduled for later this afternoon should also provide about \$90 million in relief. Hunter declined to be specific on whether they will be shaking hands this evening on a budget deal, saying he wouldn't negotiate in the media.

His counterpart in the Senate, Andy Hill, R-Redmond, put the current and future revenue increases together, saying that \$230 million should help, particularly when combined with other savings and new revenue from actions such as preserving the \$160 million in estate taxes. Hill did a quick back of the envelope estimate, saying that the revenue forecasts, savings, new revenue, and federal funding should close the \$900 million projected shortfall and leave enough money to cover K-12 and higher education needs while still protecting the safety net.

Senator Jim Hargrove, D-Hoquiam, who has been the lead budget negotiator for Senate Democrats, said it was time to get a budget done. "We've been here almost six months, citizens want us to get it done ... It's time to wrap it up."

House Finance Committee ranking member Terry Nealey, R-Dayton, said House Republicans would propose putting new revenue into reserves to take some of the dips and rises out of future budgets, and put the remaining funds into K-12 funding to meet the McCleary decision.

Lawmakers are at Day 7 of the 2nd special session. This follows 105 days of a regular session that started Monday, January 14, and 30 days of a special session that started May 13 and ended without a compromise on the 2013-15 operating or capital budgets.

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