

Opinion

3 budget reforms to end the threat of state government shutdown

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There is no reason why a government shutdown should occur, even in a deficit situation.

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DURING the last two state budget cycles, Washington lawmakers have come dangerously close to forcing a government shutdown due to failures in the budget process. The current 2015-17 state budget was signed just 18 minutes before a shutdown would have occurred. The 2013-15 budget was finalized just a few hours before state agencies would have been forced to shutdown.

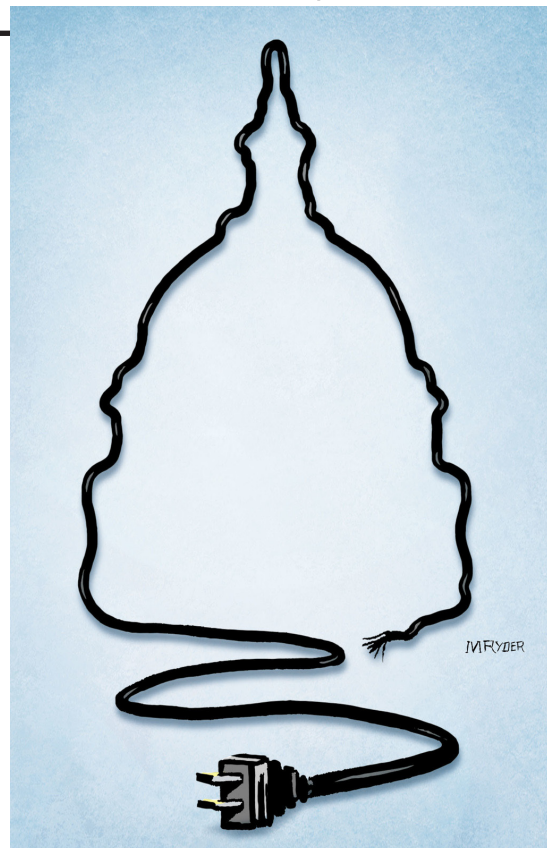
In both cases, the tax revenue provided by citizens was increasing substantially, meaning these threats of government shutdowns were occurring at a time of rising revenues, not at a time of budget deficits.

There is no reason a government shutdown should occur, even in a deficit situation. To end this threat, lawmakers should consider reforms to the budget process to assure people who rely on vital government services that a political impasse will not close agency doors.

Here are three structural reforms lawmakers could adopt:

- Early-action base budget at the beginning of the legislative session (Utah does this)
- Continuing resolution enactment in the last week of a regular session if no budget is passed (New Hampshire, North Carolina and South Carolina do this)
- Constitutional amendment authorizing continuing appropriations at current spending levels if there is no budget by the end of the session (Rhode Island and Wisconsin practice this)

Under an early-action-base-budget process, budget writers from the state House and Senate would meet on a day between the November revenue forecast and the beginning of the legislative session in January to agree on a base budget framework.



The purpose of this meeting would be to ensure that current spending levels can be maintained under projected revenue. Then lawmakers would review and approve the base budget during the first weeks of the legislative session so state government operations would continue at current spending levels in case a budget impasse occurs late in the session.

After approval of a contingency base budget, the rest of session would be devoted to debating whether lawmakers should increase or decrease the “real” budget compared to the base budget levels to reflect the updated revenue numbers provided by the February state revenue forecast.

Another option lawmakers should consider is to enact a continuing resolution during the last week of session when no formal budget agreement has been reached. This is similar to the Utah base-budget process, but action happens at the end of session instead of at the beginning. States that use this budget fail-safe process include New Hampshire, North Carolina and South Carolina.

For example, Senate Ways and Means chairman Sen. Andy Hill introduced PSSB 6051, “Continuity of State Government,” on June 25 in an effort to avoid a possible state government shutdown at the end of the month. The measure was not ultimately needed, but its introduction represented an attempt by a key legislative leader to create a continuing budget resolution process in Washington state.

The early-action base budget and continuing resolution safeguards require the Legislature to take positive action to avoid a government shutdown. Though the hope is that lawmakers would do so, there is no guarantee they would act in time. This is why the automatic continuation of spending at current levels, a policy used by Rhode Island and Wisconsin, should be considered.

Article 8, Section 4 of our state constitution requires the Legislature to appropriate all money spent, so adopting a policy that automatically continues spending at current levels would likely require asking voters to enact a constitutional amendment.

Adoption of one of these three proven budget reforms — using a base-budget process, approval of a continuing resolution, or constitutional changes to authorize continued spending at current levels until a budget can be adopted — would end the threat of a government shutdown in our state.

Ideally, lawmakers should come to a budget agreement during the 105-day regular session. But as history has continually demonstrated, the public cannot be assured of that outcome. Structural budget reforms to prevent a state government shutdown from ever occurring are worth considering.

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