

# SENATE BILL REPORT

## SB 6618

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As Reported By Senate Committee On:  
Ways & Means, January 25, 1996

**Title:** An act relating to the measurement of state fiscal conditions and economic performance.

**Brief Description:** Measuring state fiscal conditions.

**Sponsors:** Senators Snyder, McDonald, Rinehart and West.

**Brief History:**

**Committee Activity:** Ways & Means: 1/24/96, 1/25/96 [DPS].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 6618 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Cantu, Drew, Finkbeiner, Fraser, Hargrove, Kohl, Long, McDonald, Pelz, Roach, Sheldon, Snyder, Spanel, Strannigan, Sutherland, West, Winsley and Wojahn.

**Staff:** Stan Pynch (786-7512)

**Background:** Agencies and programs have been created across state government for the purpose of ensuring a high quality of life and economic prosperity for the citizens of the state. The emergence of a global economy requires Washington State to compete economically with other states and other countries.

Various organizations compile comparisons between states and nations on the basis of hundreds of different competitive criteria. However, state government policymakers do not have a concise, consistent, and agreed upon set of benchmarks to measure changes in Washington State's competitive standing relative to other states or countries.

**Summary of Substitute Bill:** The Economic Climate Council is created. The council is required to select a series of no more than ten benchmarks that characterize the competitive environment of the state. The benchmarks should be indicators of the cost of doing business, the education and skills of the work force, infrastructure, and the quality of life. The benchmarks should be selected based on the availability of comparable information for other states and countries, and the timelines with which the information can be obtained.

On or before March 31 and September 30 of each year, the council must prepare an official state economic climate report based on changes in the benchmarks and comparisons to other states or countries. The report should also include an analysis of factors that change competitive relationships.

Until July 1, 1997, the Economic and Revenue Forecast Council serves as the Economic Climate Council. Working with support of the staff of the Forecast Council, the legislative fiscal committees, and the Office of Financial Management, the council prepares recommendations for the permanent composition and staffing of the Economic Climate Council. The recommendations must be submitted to the Legislature by September 30, 1996.

The council is also required to establish an advisory committee comprised of experts, primarily from business and labor, to assist in selecting benchmarks and developing economic climate reports.

**Substitute Bill Compared to Original Bill:** The substitute bill removes references to forecasting changes in the benchmarks resulting from legislative action. It also includes Office of Financial Management staff in the development of the recommendations for a permanent structure.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The bill will provide leaders valuable information to assist in directing policy that will keep Washington State economically competitive in the face of increasing national and global competition.

**Testimony Against:** None.

**Testified:** PRO: Ruta Fanning, Director, Office of Financial Management; Greg Pierce, Washington Roundtable.