

Influx of state cash no reason to spend now

Tax revenues are predicted to be better than expected, but the the state is under court order to boost spending on education in the future.

By [Editorial Board](#)

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Even though the projection for Washington state tax collections has become even more optimistic, state lawmakers must be cautious — very cautious.

Last week the Economic and Revenue Forecast Council projected tax revenue for the next two years will be \$231 million more than expected when the 2013-14 state budget was approved in June. The total revenue is now predicted to be close to \$32.6 billion, about \$2.5 billion more than collected over the past two years.

But (isn't there always a "but" following optimistic predictions?), anticipated revenue remains short of what the state needs to meet its anticipated obligations. The state Supreme Court has ordered the Legislature to boost education spending to meet its constitutional obligation to fully fund basic education.

Lawmakers allocated an additional \$1 billion for basic education. That's a big number, yet it's considered only a down payment on the high court's order. It's estimated it will need another \$3.5 billion to \$4.5 billion toward education sooner rather than later.

Legislators can't even think about increasing spending in any other area of state government.

The latest forecast, just like the forecast in March, was based on the expectation the state's economy is going to pick up steam over the next two years. It might, but (yes, once again) the economy is not roaring yet and any number of political and economic events could stall the recovery.

Rep. Terry Nealey, a Dayton Republican who represents his caucus on the Forecast Council, is also urging fiscal restraint in the face of the sunny forecast.

"I think we're all very pleased that after a long period of negative forecasts, we're now seeing a trend of positive ones," Nealey said in a news release. "However, we need to proceed cautiously as a state because our economic recovery is still fragile. Our state's employment figures have a long way to go before they reach pre-recessionary levels, especially in many of our rural counties."

Nealey is on target.

The lingering recession — the Great Recession — should have made it clear to all that it's prudent for the state to stash as much cash as possible while the sun is shining.

Healthy reserves will allow the state to more easily weather a return of the economic rain that's been pounding the nation's economy for the past five years.

