

ESSB 5895 - S AMD 356
By Senator Hill

ADOPTED 06/09/2013

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature recognizes that it is the
4 paramount duty of the state under Article IX of the state Constitution
5 to provide for the education of the citizens of the state. The state
6 supreme court ruled the legislature has not provided adequate state
7 funding from dependable and regular sources to comply with the
8 paramount duty. It is the intent of the legislature, therefore,
9 through section 2 of this act to modify the state expenditure limit to
10 ensure a limit is placed on the remainder of state government
11 expenditures that will enable the state to commit an increasing
12 proportion of state tax dollars and the state budget to the education
13 of our citizens in fulfillment of the state's paramount duty.

14 **Sec. 2.** RCW 43.135.025 and 2009 c 479 s 35 are each amended to
15 read as follows:

16 (1) The state shall not expend from the general fund or related
17 fund during any fiscal year state moneys in excess of the state
18 expenditure limit established under this chapter.

19 (2) Except pursuant to a declaration of emergency under RCW
20 (~~43.135.035~~) 43.135.034 or pursuant to an appropriation under RCW
21 43.135.045(2), the state treasurer shall not issue or redeem any check,
22 warrant, or voucher that will result in a state general fund or related
23 fund expenditure for any fiscal year in excess of the state expenditure
24 limit established under this chapter. A violation of this subsection
25 constitutes a violation of RCW 43.88.290 and shall subject the state
26 treasurer to the penalties provided in RCW 43.88.300. After July 1,
27 2015, and prior to July 1, 2023, the state expenditure limit
28 established by this section does not apply to:

1 (a) State allocations to school districts and educational service
2 districts;

3 (b) Appropriations to the state's institutions of higher education
4 or appropriations to state student financial aid programs;

5 (c) Appropriations for the early learning program under RCW
6 43.215.141 and 43.215.142 and other licensed child care programs under
7 chapter 43.215 RCW that promote positive child outcomes through
8 curriculum, learning, and training;

9 (d) The costs of court rulings imposing new state costs issued
10 after July 1, 2015, and prior to July 1, 2023;

11 (e) Expenditures of extraordinary revenue growth, as defined in
12 Article 7, section 12 of the state Constitution, to the extent that the
13 extraordinary revenue growth is not deposited to the budget
14 stabilization account; or

15 (f) The cost of extraordinary growth in the caseloads of state
16 entitlement programs to the extent that total biennial entitlement
17 caseload costs exceed by one-third the average biennial percentage
18 growth over the prior five fiscal biennia, not including the cost of
19 new entitlements or the expansion of existing entitlements after
20 January 1, 2013, or the expansion of medicaid eligibility under the
21 federal affordable care act.

22 The exceptions established in (a) through (f) of this subsection
23 shall be calculated by the state expenditure limit committee.

24 (3) The state expenditure limit for any fiscal year shall be the
25 previous fiscal year's state expenditure limit increased by a
26 percentage rate that equals the fiscal growth factor.

27 (4)(a) For purposes of computing the state expenditure limit for
28 the fiscal year beginning July 1, ~~((2009))~~ 2013, the phrase "the
29 previous fiscal year's state expenditure limit" means the total state
30 expenditures from the state general fund(~~(, the public safety and~~
31 ~~education account, the health services account, the violence reduction~~
32 ~~and drug enforcement account, the student achievement fund, the water~~
33 ~~quality account, and the equal justice subaccount)), not including
34 federal funds, for the fiscal year beginning July 1, ~~((2008))~~ 2012,
35 plus the fiscal growth factor.~~

36 (b) For purposes of computing the state expenditure limit for the
37 fiscal year beginning July 1, 2015, the phrase "the previous fiscal
38 year's state expenditure limit" means the total state expenditures from

1 the state general fund and related funds plus the fiscal growth factor,
2 excluding expenditures for the purposes of subsection (2)(a), (b), and
3 (c) of this section.

4 (c) For purposes of computing the state expenditure limit for the
5 fiscal year beginning July 1, 2023, the phrase "the previous fiscal
6 year's state expenditure limit" means the total state expenditures from
7 the state general fund and related funds for the fiscal year beginning
8 July 1, 2022, plus the fiscal growth factor, including expenditures for
9 the purposes of subsection (2)(a) through (f) of this section.

10 (5) A state expenditure limit committee is established for the
11 purpose of determining and adjusting the state expenditure limit as
12 provided in this chapter. The members of the state expenditure limit
13 committee are the director of financial management, the attorney
14 general or the attorney general's designee, and the chairs and ranking
15 minority members of the senate committee on ways and means and the
16 house of representatives committee on ways and means. All actions of
17 the state expenditure limit committee taken pursuant to this chapter
18 require an affirmative vote of at least four members.

19 (6) Each November, the state expenditure limit committee shall
20 adjust the expenditure limit for the preceding fiscal year based on
21 actual expenditures and known changes in the fiscal growth factor and
22 then project an expenditure limit for the next two fiscal years. If,
23 by November 30th, the state expenditure limit committee has not adopted
24 the expenditure limit adjustment and projected expenditure limit as
25 provided in subsection (5) of this section, the attorney general or his
26 or her designee shall adjust or project the expenditure limit, as
27 necessary.

28 (7)(a) "Fiscal growth factor," after July 1, 2015, and prior to
29 July 1, 2023, means the average of the sum of inflation and population
30 change for each of the prior three fiscal years.

31 (b) "Inflation" means the percentage change in the implicit price
32 deflator for the United States for each fiscal year as published by the
33 federal bureau of labor statistics.

34 (c) "Population change" means the percentage change in state
35 population for each fiscal year as reported by the office of financial
36 management.

37 (d) "Fiscal growth factor," prior to July 1, 2015, and after July

1 1, 2023, means the average growth in state personal income for the
2 prior ten fiscal years.

3 (8) "General fund" means the state general fund and related funds.

4 (9) "Related funds" means the Washington opportunity pathways
5 account, the education legacy trust account, and the pension funding
6 stabilization account.

7 NEW SECTION. **Sec. 3.** The secretary of state shall submit this act
8 to the people for their adoption and ratification, or rejection, at the
9 next general election to be held in this state, in accordance with RCW
10 43.135.035."

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11 On page 1, line 1 of the title, after "43.135.025" strike the
12 remainder of the title and insert "; creating a new section; and
13 providing for a submission of this act to a vote of the people."

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