
SECOND ENGROSSED SUBSTITUTE SENATE BILL 5895

State of Washington 63rd Legislature 2013 1st Special Session

By Senate Ways & Means (originally sponsored by Senators Hill and Hargrove)

READ FIRST TIME 04/05/13.

1 AN ACT Relating to education funding; amending RCW 43.135.025;
2 creating a new section; and providing for a submission of this act to
3 a vote of the people.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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

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

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

4 (2) Except pursuant to a declaration of emergency under RCW
5 (~~43.135.035~~) 43.135.034 or pursuant to an appropriation under RCW
6 43.135.045(2), the state treasurer shall not issue or redeem any check,
7 warrant, or voucher that will result in a state general fund or related
8 fund expenditure for any fiscal year in excess of the state expenditure
9 limit established under this chapter. A violation of this subsection
10 constitutes a violation of RCW 43.88.290 and shall subject the state
11 treasurer to the penalties provided in RCW 43.88.300. After July 1,
12 2015, and prior to July 1, 2023, the state expenditure limit
13 established by this section does not apply to:

14 (a) State allocations to school districts and educational service
15 districts;

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

18 (c) Appropriations for the early learning program under RCW
19 43.215.141 and 43.215.142 and other licensed child care programs under
20 chapter 43.215 RCW that promote positive child outcomes through
21 curriculum, learning, and training;

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

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

28 (f) The cost of extraordinary growth in the caseloads of state
29 entitlement programs to the extent that total biennial entitlement
30 caseload costs exceed by one-third the average biennial percentage
31 growth over the prior five fiscal biennia, not including the cost of
32 new entitlements or the expansion of existing entitlements after
33 January 1, 2013, or the expansion of medicaid eligibility under the
34 federal affordable care act.

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

37 (3) The state expenditure limit for any fiscal year shall be the

1 previous fiscal year's state expenditure limit increased by a
2 percentage rate that equals the fiscal growth factor.

3 (4)(a) For purposes of computing the state expenditure limit for
4 the fiscal year beginning July 1, (~~(2009)~~) 2013, the phrase "the
5 previous fiscal year's state expenditure limit" means the total state
6 expenditures from the state general fund(~~(, the public safety and~~
7 ~~education account, the health services account, the violence reduction~~
8 ~~and drug enforcement account, the student achievement fund, the water~~
9 ~~quality account, and the equal justice subaccount)), not including
10 federal funds, for the fiscal year beginning July 1, (~~(2008)~~) 2012,
11 plus the fiscal growth factor.~~

12 (b) For purposes of computing the state expenditure limit for the
13 fiscal year beginning July 1, 2015, the phrase "the previous fiscal
14 year's state expenditure limit" means the total state expenditures from
15 the state general fund and related funds plus the fiscal growth factor,
16 excluding expenditures for the purposes of subsection (2)(a), (b), and
17 (c) of this section.

18 (c) For purposes of computing the state expenditure limit for the
19 fiscal year beginning July 1, 2023, the phrase "the previous fiscal
20 year's state expenditure limit" means the total state expenditures from
21 the state general fund and related funds for the fiscal year beginning
22 July 1, 2022, plus the fiscal growth factor, including expenditures for
23 the purposes of subsection (2)(a) through (f) of this section.

24 (5) A state expenditure limit committee is established for the
25 purpose of determining and adjusting the state expenditure limit as
26 provided in this chapter. The members of the state expenditure limit
27 committee are the director of financial management, the attorney
28 general or the attorney general's designee, and the chairs and ranking
29 minority members of the senate committee on ways and means and the
30 house of representatives committee on ways and means. All actions of
31 the state expenditure limit committee taken pursuant to this chapter
32 require an affirmative vote of at least four members.

33 (6) Each November, the state expenditure limit committee shall
34 adjust the expenditure limit for the preceding fiscal year based on
35 actual expenditures and known changes in the fiscal growth factor and
36 then project an expenditure limit for the next two fiscal years. If,
37 by November 30th, the state expenditure limit committee has not adopted
38 the expenditure limit adjustment and projected expenditure limit as

1 provided in subsection (5) of this section, the attorney general or his
2 or her designee shall adjust or project the expenditure limit, as
3 necessary.

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

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

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

13 (d) "Fiscal growth factor," prior to July 1, 2015, and after July
14 1, 2023, means the average growth in state personal income for the
15 prior ten fiscal years.

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

17 (9) "Related funds" means the Washington opportunity pathways
18 account, the education legacy trust account, and the pension funding
19 stabilization account.

20 NEW SECTION. Sec. 3. The secretary of state shall submit this act
21 to the people for their adoption and ratification, or rejection, at the
22 next general election to be held in this state, in accordance with RCW
23 43.135.035.

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