## SENATE BILL 6567

State of Washington 62nd Legislature 2012 Regular Session

By Senators Zarelli and Benton

Read first time 02/01/12. Referred to Committee on Ways & Means.

- AN ACT Relating to modifying the state expenditure limit to ensure that the paramount duty of educating children is met through a reprioritization of state government expenditures; amending RCW
- 4 43.135.025; creating a new section; and providing an effective date.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- The legislature recognizes that it is the 6 NEW SECTION. Sec. 1. 7 paramount duty of the state under Article IX of the state Constitution to provide for the education of the children of the state. The state 8 9 supreme court recently ruled the legislature has not provided adequate state funding from dependable and regular sources to comply with the 10 paramount duty. It is the intent of the legislature, therefore, 11 12 through this act to modify the state expenditure limit to ensure a 13 limit is placed on the rest of state government expenditures that will 14 enable the state to commit an increasing proportion of state tax 15 dollars and the state budget to the education of our children in 16 fulfillment of the state's paramount duty.
- 17 **Sec. 2.** RCW 43.135.025 and 2009 c 479 s 35 are each amended to 18 read as follows:

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

- (2) Except pursuant to a declaration of emergency under RCW ((43.135.035)) 43.135.034 or pursuant to an appropriation under RCW 43.135.045(2), the state treasurer shall not issue or redeem any check, warrant, or voucher that will result in a state general fund expenditure for any fiscal year in excess of the state expenditure limit established under this chapter. A violation of this subsection constitutes a violation of RCW 43.88.290 and shall subject the state treasurer to the penalties provided in RCW 43.88.300. The state expenditure limit established by this section does not apply to state allocations to school districts and educational service districts under chapter 28A.315 RCW.
- (3) The state expenditure limit for any fiscal year shall be the previous fiscal year's state expenditure limit increased by a percentage rate that equals the fiscal growth factor.
- (4) For purposes of computing the state expenditure limit for the fiscal year beginning July 1, ((2009)) 2013, the phrase "the previous fiscal year's state expenditure limit" means the total state expenditures from the state general fund((, the public safety and education account, the health services account, the violence reduction and drug enforcement account, the student achievement fund, the water quality account, and the equal justice subaccount, not including federal funds,)) and related funds for the fiscal year beginning July 1, ((2008)) 2012, plus the fiscal growth factor.
- (5) A state expenditure limit committee is established for the purpose of determining and adjusting the state expenditure limit as provided in this chapter. The members of the state expenditure limit committee are the director of financial management, the attorney general or the attorney general's designee, and the chairs and ranking minority members of the senate committee on ways and means and the house of representatives committee on ways and means. All actions of the state expenditure limit committee taken pursuant to this chapter require an affirmative vote of at least four members.
- (6) Each November, the state expenditure limit committee shall adjust the expenditure limit for the preceding fiscal year based on actual expenditures and known changes in the fiscal growth factor and

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- then project an expenditure limit for the next two fiscal years. If, by November 30th, the state expenditure limit committee has not adopted the expenditure limit adjustment and projected expenditure limit as provided in subsection (5) of this section, the attorney general or his or her designee shall adjust or project the expenditure limit, as necessary.
  - (7) "Fiscal growth factor" means the average ((growth in state personal income for the prior ten fiscal years)) of the sum of inflation and population change for each of the prior three fiscal years.
- 11 (8) "Inflation" means the percentage change in the implicit price 12 deflator for the United States for each fiscal year as published by the 13 federal bureau of labor statistics.
- 14 <u>(9) "Population change" means the percentage change in state</u> 15 <u>population for each fiscal year as reported by the office of financial</u> 16 <u>management</u>.
  - ((8))) (10) "General fund" means the state general fund.

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- 18 <u>(11) "Related funds" means the Washington opportunity pathways</u> 19 account and the education legacy trust account.
- NEW SECTION. Sec. 3. This act takes effect July 1, 2012.

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