

# SENATE BILL REPORT

## SB 5968

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As of February 23, 1995

**Title:** An act relating to computation of the fiscal growth factor.

**Brief Description:** Defining the fiscal growth factor.

**Sponsors:** Senator McAuliffe.

**Brief History:**

**Committee Activity:** Ways & Means: 3/1/95.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Steve Jones (786-7440)

**Background:** Initiative 601, enacted by the voters at the 1993 general election, establishes an annual limit on General Fund-State expenditures and restricts administrative fee increases.

The annual General Fund-State expenditure limit will first apply to the 1995-97 fiscal biennium and will be adjusted each fiscal year to reflect the "fiscal growth factor," which is the average of the sum of inflation and population change for each of the prior three fiscal years.

The restriction on administrative fee increases provides that an agency cannot increase a fee in any fiscal year by a percentage that exceeds the fiscal growth factor without prior legislative approval.

**Summary of Bill:** The fiscal growth factor is modified to reflect the percentage change in either state population or the enrollment in the K-12 school system, whichever is greater.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill is contingent on submittal to the voters at the next general election.