
Appropriations Committee

HB 2163

Brief Description: Transferring extraordinary revenue growth from the budget stabilization account for K-12 education.

Sponsors: Representative Stokesbary.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Authorizes the transfer of \$58.4 million from the Budget Stabilization Account to support K-12 education.
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Hearing Date: 4/22/19

Staff: James Mackison (786-7104).

Background:

In 2007 the voters ratified a constitutional amendment that created the Budget Stabilization Account (BSA) as Article VII, section 12 of the Washington Constitution (state Constitution). Each year, the State Treasurer must deposit 1 percent of general state revenues (GSR) into the constitutionally created BSA. The term GSR is defined in the state Constitution and is generally synonymous with the statutory State General Fund (GFS).

In general, appropriations from the BSA require a three-fifths majority in each house of the Legislature, but in the case of a catastrophic event or low employment growth, the Legislature may appropriate from the BSA with a constitutional majority vote of each house.

In 2011 the voters ratified an amendment to Article VII, section 12 that required further deposits into the BSA. In biennia in which the state experiences extraordinary revenue growth (ERG), an amount equivalent to three-quarters of the ERG must be transferred to the BSA. Extraordinary revenue growth is defined as the amount by which the percentage growth of GSR in that biennium exceeds by more than one-third the average percentage growth in GSR over the five previous biennia. Extraordinary revenue growth is transferred only to the extent that it exceeds

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the required 1 percent transfer, and the ERG is not transferred in a biennium that follows a fiscal biennium in which employment growth averaged less than 1 percent per fiscal year.

In the proposed 2019-21 Operating Budget that passed the House of Representatives, \$58,424,000 is appropriated to the Superintendent of Public Instruction, contingent on the passage of this bill.

Summary of Bill:

The State Treasurer must transfer \$58,424,000 from the BSA into the GFS before June 30, 2019, to support K-12 education. The amount transferred is attributable to extraordinary revenue growth in the 2017-19 biennium.

The BSA appropriations do not alter the requirement to balance the budget in the ensuing biennium under the state's four-year balanced budget requirement, also known as the state budget outlook.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.