

# Summary of

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# SSB 6078

Expenditure Limit Committee,  
November 21, 2005

# SSB 6078

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- Enacted in 2005 legislative session
- Two parts:
  - Effective through the 05-07 biennium, the 2/3 vote requirement for tax increases is temporarily suspended.
  - Effective for the 07-09 biennium and thereafter, expenditure limit laws are revised.

# Funds Covered by Expenditure Limit

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- I-601: Limit applies to General Fund—State (GFS)
- SSB 6078: Limit applies to GFS and five additional related funds:
  - Health Services Account
  - Violence Reduction & Drug Enforcement Account
  - Public Safety & Education Account;
  - Water Quality Account
  - Student Achievement Fund.

# Fiscal Growth Factor

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- I-601: Rolling three-year average of total of population growth and inflation (IPD)
- SSB 6078: Ten-year average of state personal income growth.

# “Two Way Street”

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- I-601: Limit is adjusted downward for money or program transfers *from* GFS
- 2000: “Two-way street” authorizes upward adjustment to Limit for money or program transfers *to* GFS
- SSB 6078:
  - No upward adjustment to Limit for money transfers *into* GFS
  - Upward adjustment for program transfer only if associated revenue is also transferred.

# Expenditure Limit Committee

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- I-601: OFM adjusts and projects Limit
- 2000: Expenditure Limit Committee (ELC) established to adjust and project Limit.
  - Chairs of Ways & Means and Appropriations
  - OFM director
  - Attorney General or designee
- SSB 6078:
  - Ranking minority members of Appropriations and Ways & Means added to ELC
  - ELC actions require affirmative vote of four members

# Emergency Reserve Fund

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- I-601: GFS revenues in excess of the Limit are deposited in the Emergency Reserve Fund.
- SSB 6078: Amount transferred to ERF is prorated to equal the amount by which total state revenue (GFS plus related funds) exceeds the Limit, multiplied by the GFS percentage share of total expenditures.