

STATE EXPENDITURE LIMIT COMMITTEE

November 21, 2014

John L. O'Brien Building, House Hearing Room E

Members Present: David Schumacher, Director, Office of Financial Management; Senator Andy Hill, and Senator James Hargrove.

Members Participating by Telephone: Representative Bruce Chandler and Noah Purcell, Solicitor General, Office of the Attorney General (*Attorney General's designee*).

Member Absent: Representative Ross Hunter;

The meeting was called to order at 2:37 p.m. by David Schumacher, Chair of the committee. Members were introduced.

Work Session:

Richard Ramsey (*staff, Senate Committee Services*) presented the proposal for the calculation of the expenditure limits and responded to members' questions. (*See PowerPoint presentation "Adjusting and Projecting the State Expenditure Limit, November 2014" and the "November 2014 Expenditure Limit Calculation" detail document.*)

Senator Hargrove observed that the projection of growth in personal income in out years declines and asked what would be the effect of constant growth in personal income on the expenditure limit.

Director Schumacher noted that the preparation of the 4-year outlook under the balanced budget statute specifically excludes investments made to comply with the *McCleary* decision in the 2017-19 biennium and asked if there were similar exemptions for *McCleary* in the expenditure limit.

Noah Purcell observed that if the expenditure limit constrained appropriations made to comply with the *McCleary* decision the Legislature might choose to seek other remedies.

Senator Hargrove asked whether the expenditure limit applies only to the state general fund and observed that additional investments in education could be made via the Education Legacy Trust Account that is not subject to the expenditure limit.

Executive Session:

Senator Hargrove moved that the minutes of the November 22, 2013, meeting be adopted. Seconded by Senator Hill. The minutes were adopted by voice vote. Five ayes, zero nays, one absent.

Senator Hill moved that the expenditure limits as adjusted and projected by staff in the presentation be adopted. Seconded by Senator Hargrove. The motion was adopted by voice vote. Five ayes, zero nays, one absent.

David Schumacher put the election of a new chair before the committee. Senator Hill nominated David Schumacher to be elected committee chair. Senator Hargrove seconded the motion. No other candidates were nominated and David Schumacher was elected as chair by voice vote. Five ayes, zero nays, one absent.

There being no further business before the committee, the meeting was adjourned at 2:52 p.m.

AN AUDIO RECORDING OF THE MEETING IS ON FILE WITH THE COMMITTEE