
Special Report



Washington Research Council

July 31, 1996

Too Much Earmarking, Dedicating Funds

Several common budget techniques—earmarking revenues, creating dedicated accounts and moving expenditures “off-budget”—violate sound fiscal practice and frustrate public understanding of state spending and taxation. In state government, the general fund receives the greatest public scrutiny and is commonly referred to as the “state budget,” although it represents just 57 percent of total state spending. Transportation and federal funds represent most of the balance; however, in recent years there has been an increasing tendency to earmark revenues to accounts outside the general fund. The pressure to increase discretionary spending within the constraints of the Initiative 601 spending cap may accelerate the trend.

In the past, the Washington Research Council has called on lawmakers to maintain the integrity of the general fund, to resist the temptation to protect certain programs by earmarking their revenue bases, and to apply strict standards to determine the propriety of earmarking and fund dedication. This year, we commissioned a study by Greg Pierce, an independent economist who has previously worked in state government in Oregon and Washington, most recently as the senior staff coordinator of the Senate Ways and Means Committee. This Special Report is drawn largely from his analysis.¹ The recommendations are those of the Washington Research Council.

Evaluating the Experiences with Earmarked Taxes

A review of 440 Washington state dedicated funds² shows a dramatic increase in their use over the last decade. The expansion in such funding has changed the pattern and level of state spending, most clearly in human services programs, and will adversely affect state budgeting in the future. A primary source of concern is the failure to apply consistent principles to the creation and expansion of dedicated accounts.

Dedicated accounts can be categorized in a number of ways. In this report, eight categories have been selected: Human Services, Natural Resources, General Government, Transportation, Licensing, Revolving Funds, General Fund-Federal, and Capital. The first four represent functional categories; the last four are based on funding mechanisms. As the graph on page 2 shows, federal dollars flowing through the general fund (i.e., general fund-federal) represent the largest share of fund dedication, followed by transportation—with perhaps the least controversial dedicated accounts—and capital accounts. (The federal and transportation accounts fall largely outside the scope of the present analysis, which focuses on more discretionary legislative fiscal activity.) The fast growing human services accounts represent the fourth largest category and also represent the greatest policy risk.

Since the 1985-87 biennium, total spending in dedicated accounts has grown 80 percent faster than general fund spending. The various categories of dedicated accounts grew at annual rates ranging from 6.6 percent

Figure 1

Dedicated Funds and General Fund-Federal: 1995-97

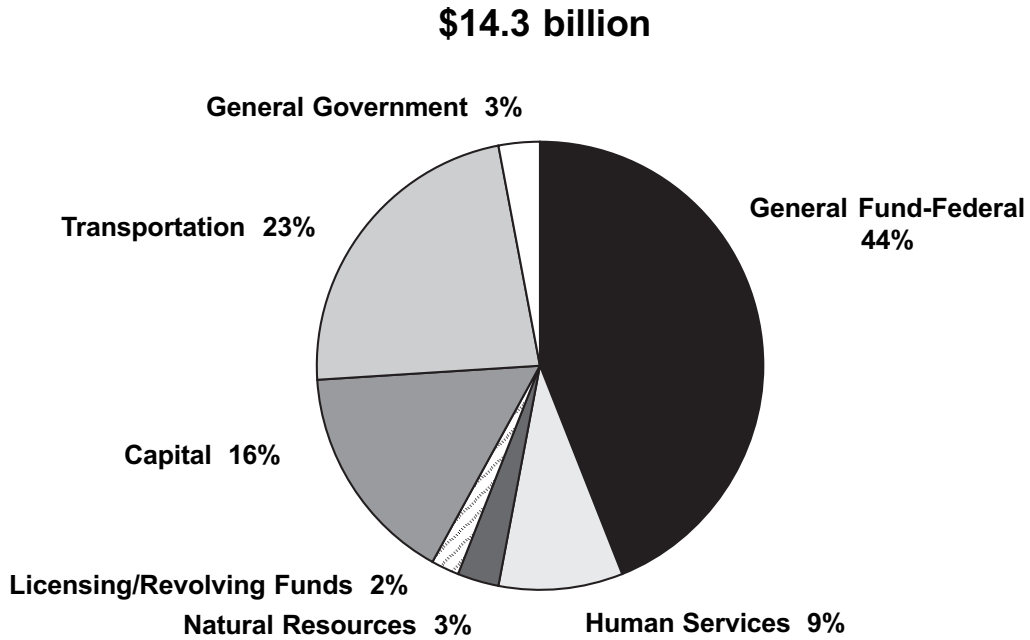
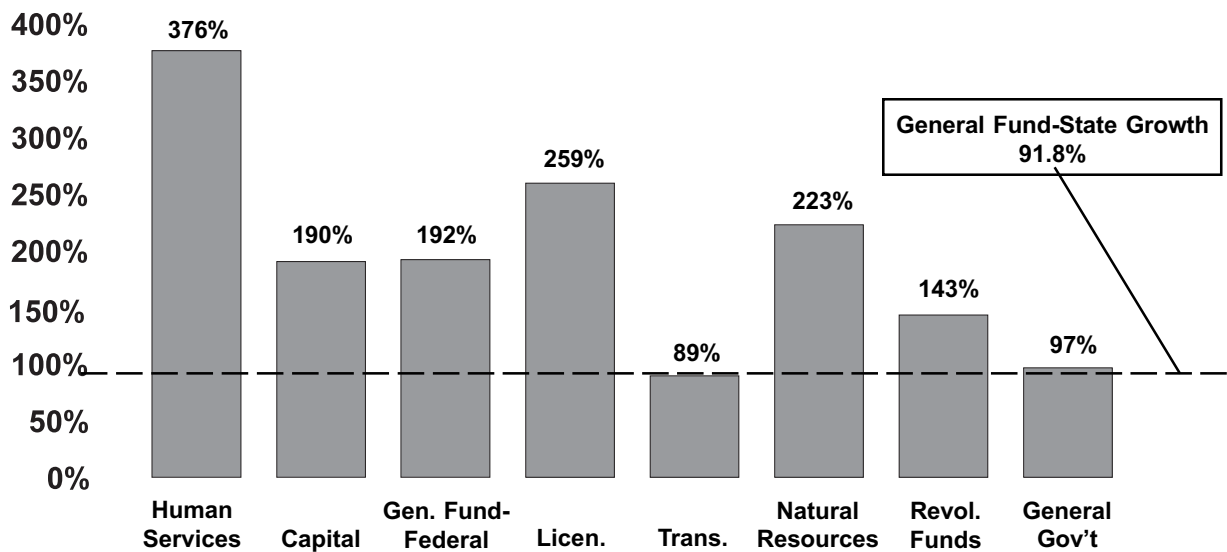


Figure 2

Growth in Dedicated Funds Compared to the State General Fund, 1985-87 to 1995-97



(transportation) to 16.9 percent (human services), while general fund spending increased at the rate of 6.7 percent annually. Had spending in dedicated accounts just kept pace with the general fund, biennial spending in 1995-97 would be \$900 million lower.

National Experience with Earmarking

The increasing share of Washington state's budget claimed by dedicated funds is not unusual. A recent study by the National Conference of State Legislatures³ (NCSL) found that nationally, earmarked taxes amounted to about 24.4 percent of all state revenues in 1993. Earmarking declined from the 1930s until the 1970s, then remained relatively constant, showing a slight upward trend since the mid-Eighties. While NCSL warns against overstating this recent tendency, NCSL analysts conclude that “. . . legislators now turn somewhat more readily to earmarking taxes than they did in the recent past.”

From earmarking 35 percent of its revenue in 1954 (below the U.S. average of 51 percent), Washington, according to the NCSL data, earmarked 30 percent in 1993 (above the U.S. average of 24 percent). The pattern here follows the national trend, although with less dramatic swings, having declined to a low of 26 percent in 1986 before rising again.

Benefits Claimed for Earmarking

“For most fiscal analysts and budget experts,” NCSL observes, “there is little, if anything, to be said in favor of earmarking taxes.”

However, they evaluate four common justifications:

1) *The benefit principle: those who benefit should pay.* NCSL points out that this “works best when a government provides a specific service to a group of people who can be identified and charged without excessive administrative expense.” Typically, this rationale has justified the dedication of many transportation-related taxes and fees. Recently, similar arguments were used here to support the removal of tuition dollars from the state general fund (the move, however, reduced public understanding of higher education funding).

2) *Assured funding.* Although funding assurance is frequently cited to justify earmarking, such assurance can rarely be achieved. In 1990, Hal Hovey, a nationally-recognized fiscal expert cited by NCSL, anticipated the problems that are now being experienced in the state Health Services Account: “Earmarking often ties spending needs moving in one direction, such as indigent health care trending, with a revenue source moving in another, such as taxes on tobacco products.”⁴

3) *Stabilization of state finances.* Regarding stability, NCSL notes, earmarking adds not stability, but rigidity. Stability is a function of the tax base, economy and elasticity of the tax system.

4) *To secure public support for new or higher taxes.* As an inducement to raise taxes, earmarking does have clear appeal. The first (and only) tax increase referred to voters in Washington under Initiative 601, Referendum 43 in November 1994, was associated with dedicated funding for the Violence Reduction and Drug Education Account. It passed; but as the Washington Research Council observed at the time, it was “bad budget policy.”

Problems of Fund Dedication

More important than the putative benefits of earmarking are the clear obstacles to sound fiscal policy posed by fund dedication. In the Washington Research Council's 1994 *Policy Brief* critiquing Ref. 43, John Archer, then director of research, identified several specific objections:

"The measure lacks equity, as there is little relation between the taxes proposed and the programs to be funded..."

"It does not assure that targeted programs will be adequately funded..."

"It reduces the ability of the executive and Legislature to make comprehensive budget policy, while also reducing flexibility in revenue policy."

"And it diminishes oversight of major state programs by taking them 'off budget'."

What was true specifically of Referendum 43 proves true generally with respect to fund dedication and earmarking in the state budget.

Dedicated funds in Washington state are not examined with the same scrutiny applied to the general fund. Competition for limited general fund resources creates the impetus for program review and prioritization. A reduction in one program allows an increase in another, or presents the potential for tax relief. Under Initiative 601, this prioritization takes on new significance.

That competition, however, has led to the creation of dedicated funds which supplant general fund expenditures. Various human services and natural resources accounts have become virtual extensions of the general fund. The result has been a higher level of overall spending.

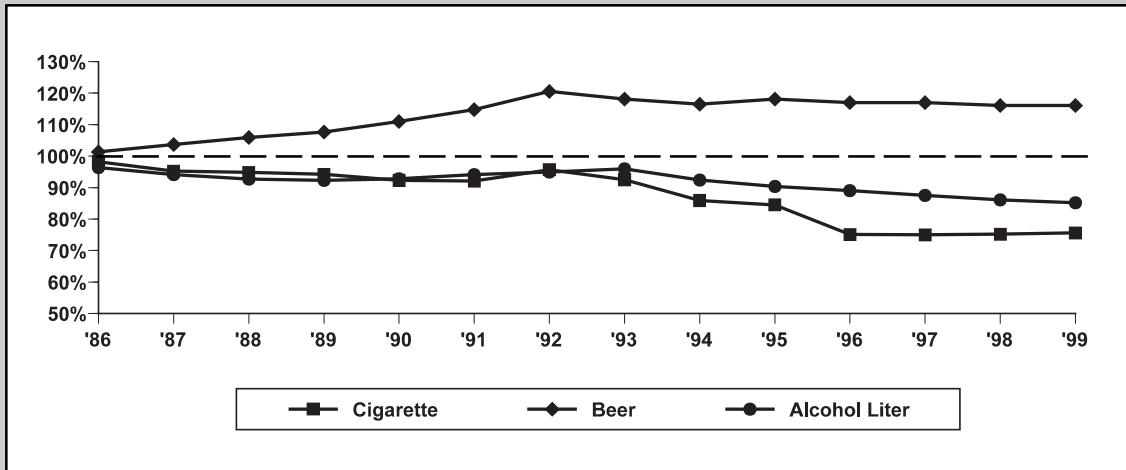
Dedicated fund budgets are set more by available revenue than by program assessment and need, as is clear from an examination of the spending pattern in these accounts. Most of the programs operate on thin to nonexistent reserves, with expenditures equaling (or exceeding) income. In those accounts with excess revenues (at least in the short term), the Legislature has tended to expand liberally the definition of permitted uses. This has been particularly true in the Human Services Funds (e.g., VRDEA and the Health Services Account). The practice hastens the likelihood of a budget shortfall and proves what Archer described as the First Law of Earmarking: "Whatever relationship there may have been at the outset between a dedicated tax and the purposes for which it is imposed tends to deteriorate over time."

That may change, though, as a result of the growing mismatch between available revenues and expenditure requirements. Because of their limited funding bases, many dedicated accounts are highly susceptible to revenue swings. A shortfall in any one of these accounts will result in curtailed services or pressure on the general fund to offset the deficit.

In many cases a crisis is inevitable. The increased reliance on "sin" taxes, for example, assures future shortages. Cigarette, beer and liquor taxes are not projected to grow (see the box on the following page), while, as noted by Hal Hovey above, the programs they support are among the fastest growing.

The major human services dedicated funds are failing to keep pace with program requirements, primarily as a result of their narrow funding bases. Several of them rely primarily on cigarette taxes, which are likely to experience actual declines.

Figure 3
Cigarette, Alcohol and Beer Tax Bases
Have Trended Downward



Starting in 1985, there has been a 25 percent reduction in the cigarette tax base from 423 million packs to 320 million. Similarly, the alcohol liter tax base has dropped 15 percent from 28,400 liters to 24,200 liters. Finally the beer tax base has increased 16 percent since 1985, but has dropped 4 percent since its peak in 1992 and is expected to continue to decline.

The Washington Research Council’s analytical review, which begins on page 7, highlights some of the practical problems that lawmakers will be facing in several major accounts during the next few years.

Impact of Initiative 601

Initiative 601 (I-601), adopted in November 1993, ties general fund spending growth to increases in population plus inflation.

Tighter general fund constraints under I-601 will increase pressure to push spending to dedicated accounts. The I-601 spending limit is predicted to hold appropriations to 4 percent annual growth, or about 40 percent the growth rate of the past decade.

Shifting revenue sources from the general fund to dedicated accounts can provide a means of circumventing the Initiative 601 limit. Although initially the shift triggers an offsetting drop in the limit on general fund spending, in the longer run spending from the discretionary fund is able to grow unconstrained. This practice appeals to program advocates. The Governor’s Task Force on Higher Education Funding, for example, proposed earmarking a portion of general fund tax sources for higher education programs. Similar motives underlie support for tax credits to offset private contributions for specific purposes, avoiding the budget process entirely.

In the wake of I-601, spending in dedicated funds has clearly not been slowed. The growth of spending in dedicated funds can be attributed to several factors:

Population growth and increased economic development. This has led to substantial increases in funds, like the Public Works Assistance Account, which are tied to growth-related taxes and fees (e.g., utility and refuse taxes, and a portion of the real estate excise tax).

Creation of new funds. In this biennium alone, 14 new funds were either created or became operative. For example, the Environmental Review Fund, created under the Growth Management Act, was capitalized with \$3 million from the Public Works Assistance Account.

Dedication of General Fund revenue sources. The Parks Renewal and Stewardship Account, created in 1995, receives funding from park use and camping fees, which previously had gone into the general fund.

Phased-in tax increases. The fast-growing Health Services Account, which started with \$130 million in 1993-95, will receive \$468 million this biennium as a result of tax increases built into its funding.

Recommendations

The executive and legislative branches should act immediately to reduce the state's use of dedicated accounts and earmarked taxes. The process should begin with an in-depth examination of dedicated funds, federal funds, tax credits and related off-budget expenditures. Reviews of the Health Service Account, Violence Reduction and Drug Enforcement Account and the Public Safety and Education Account by legislative fiscal staff and the Office of Financial Management (OFM) are constructive approaches toward this end.

General dedication should be avoided. Funds that rely on volatile or narrow funding bases, which represent a mismatch between expenditure requirements and available revenues, or that violate the benefit principle should be transferred to the state general fund. While Initiative 601 may present some obstacles to this course, they are not insurmountable; this recommendation is entirely consistent with the expressed intent of the initiative.

Dedicated funds should receive the same scrutiny and public attention as the general fund. Characterizations of state spending should include all funds. The use of tax credits for program funding and movement of programs "off-budget" should be resisted. Criteria for earmarking and fund dedication should be clearly stated, and "off-budget" programs should be subject to periodic reauthorization.

Learn from the experience of the transportation budget. The transportation budget represents a patchwork of dedicated accounts and formulaic distributions. With another revenue shortage, the pressure to spawn further dedication competes with the need to establish priorities within the larger context.

An Analytical Review of Critical Funds

The accounts found in the following pages were chosen for one or more of three reasons: the account, as required by law, must be reauthorized in the near future; the account is experiencing rapid expenditure growth; or the account may have a revenue shortfall.

Of the eight funds mentioned previously, transportation and capital funds are only briefly reviewed, and no additional attention is paid to the revolving, licensing and general fund-federal accounts.

Transportation finance represents a special and long-established history of fund dedication, with a major revenue source, the gas tax, earmarked for highway purposes in the 18th Amendment to the state constitution. A detailed examination of transportation funding is beyond the scope of the present analysis.

Capital Accounts similarly fall outside the primary thrust of this examination. However, the unique reliance on dedicated revenue sources for the Public Works Assistance Account appears to justify additional review.

Because of the present congressional interest in reforming fiscal federalism, the general fund-federal accounts receive no further consideration here. Further analysis of the effect of these funds on state spending should be performed when national policy stabilizes.

The licensing and revolving funds generally represent an appropriate use of the benefit principle for fund dedication. While periodic examination of the expenditure patterns in these accounts is encouraged, they represent significantly less risk than human services, general government and natural resources accounts.

I. Human Services Funds

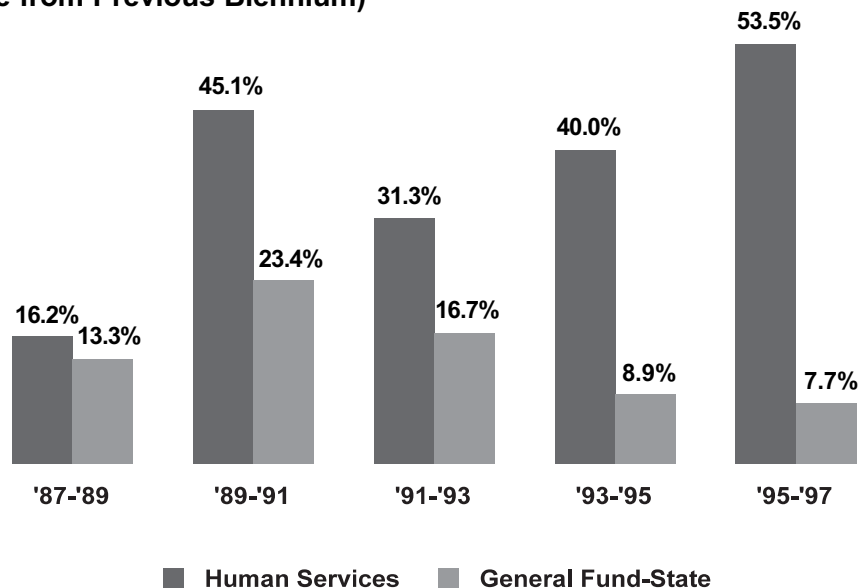
Dedicated funding and federal revenues have fueled the growth in human service funding. In the past decade, cumulative growth of the dedicated funding in these accounts has been 376 percent, or four times the pace of growth in the state general fund. Creation of new accounts—principally the Violence Reduction and Drug Enforcement Account, the Employment and Training Trust Fund (E&T Trust Fund) and the Health Services Account (HSA)—has been largely responsible for the rapid growth.

Figure 4
Major New Human Services Accounts (in thousands)

| Fund | '89-'91 | '91-'93 | '93-'95 | '95-'97 |
|--------------------|-----------------|------------------|------------------|------------------|
| Empl. & Train. | | | 42,075 | 67,869 |
| Health Serv. Acct. | | | 130,098 | 549,092 |
| Violence Red. | 58,584 | 112,530 | 92,445 | 109,255 |
| Fund Total | \$58,584 | \$112,530 | \$264,619 | \$726,216 |

This biennium, these funds added \$726 million to the spending level, an amount equal to about 4 percent of the general fund budget.

Figure 5
Expenditures from Human Services Funds
(Percent Change from Previous Biennium)



The Health Services Account

Created in 1993 to “maintain and improve the health of Washington residents through the public health system,” the Health Services Account faces a significant shortfall in the next biennium. Revenue to the HSA is expected to total \$468.2 million for the 1995-97 biennium. Combined with interest earnings and the beginning fund balance, \$549 million is available for expenditure and all available revenue has been appropriated. The cigarette tax provides 56 percent of HSA funding and is not predicted to grow in the 1997-99 biennium.

(Revenue from the prepayments tax on health care services contractors and HMOs were added in January 1996.)

The Basic Health Plan, operated by the Health Care Authority, receives 43 percent of the funding from the HSA, which funds eight agencies and five divisions within the Department of Health and Human Services (DSHS). Medical Assistance, a DSHS division, claims 38 percent of the fund for medical services to low-income residents.

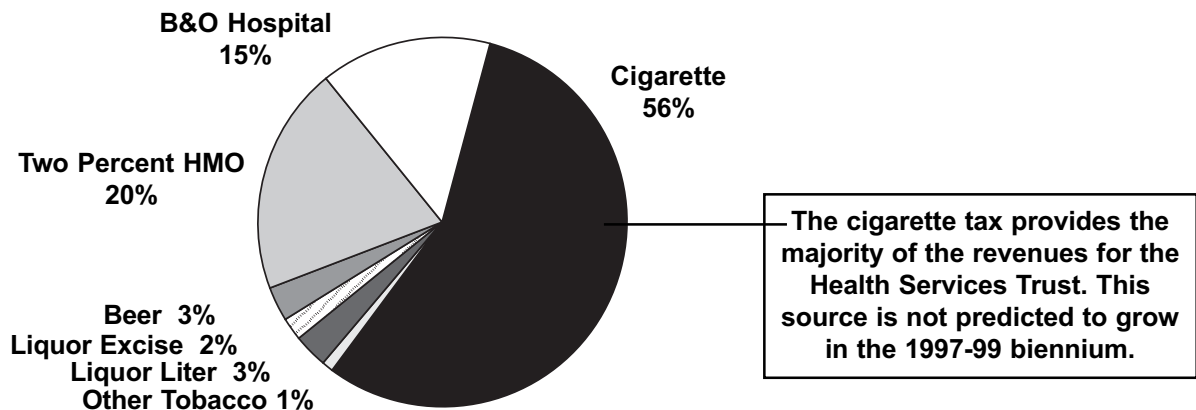
Many expenditures fall within the broad statutory authority established for the HSA. However, the financial limitations on the fund are significant, and its viability is far from assured. Consider the following:

Prospects for the 1997-99 biennium. Appropriations for 1995-97 exceeded HSA revenue projections for the period. Next biennium, revenue growth resulting from the HMO tax and phase-in of other taxes will add \$105 million. However, that will not be enough to fund current programs. Senate Ways and Means Committee staff members estimate a \$160 to \$175 million shortfall for 1997-99, and the problems will worsen as the basic taxes supporting the fund are projected to have little growth.

Caseload. In the 1995-97 budget, the Legislature offset a “caseload adjustment” for the Medical Assistance Division from the state general fund to the HSA of \$52.7 million. This shift to the HSA of program responsibility historically paid from the general fund skirts I-601 restrictions by treating *growth* as new spending. The initiative states: “If the cost of any state program or function is shifted from the state general fund on or after January 1, 1993 to another source of funding, or if the moneys are transferred from the state general fund to another fund or account, the Office of Financial Management shall lower the state expenditure limit to reflect the shift.” HSA funding problems probably render moot further use of this tactic.

Basic Health Plan (BHP) enrollment. This biennium, the Legislature funded up to 100,000 individual and 100,000 employer-sponsored enrollees in the Basic Health Plan, appropriating \$238.1 million. Enrollment projections for employer-sponsored enrollees will not be met, and the Health Care Authority has proposed adding individual enrollment to offset the shortfall. Individual enrollees receive a higher state subsidy and will add to the deficit expected for the next biennium.

Figure 6
Health Services Account Revenue Sources



New entitlements. Both the 1995 and 1996 Legislatures provided an additional subsidy under the BHP for home care workers and foster parents. These enrollees pay the lowest premiums regardless of income.

Violence Reduction and Drug Enforcement Account (VRDEA)

VRDEA was created from the Drug Enforcement Account (authorized under the Uniform Controlled Substances Act of 1989) and expanded and modified as part of the 1994 youth violence legislation. As mentioned above, its funding was extended by the voters in 1994. It funds agencies and community networks to “develop long-range community plans for the reduction of violence,” as well as juvenile services and treatment and assessment services through the Division of Alcohol and Substance Abuse within DSHS.

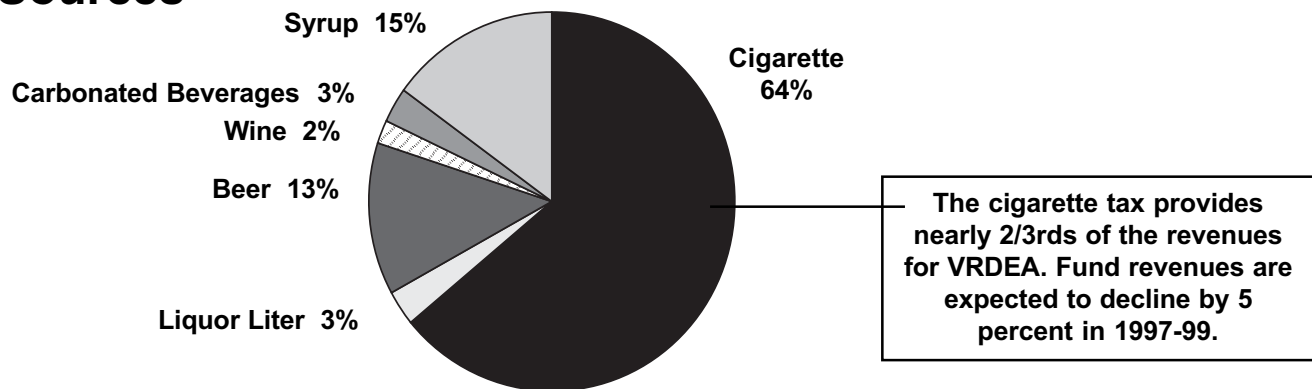
For 1995-97, VRDEA is expected to have about \$106 million in income, two-thirds of which comes from cigarette taxes. With additional moneys in its fund balance, revenues available for expenditure are expected to total \$109 million, of which virtually all has been appropriated.

Seven agencies and three DSHS divisions receive appropriation from the account, with most of the spending, \$90 million, going to Juvenile Rehabilitation and the Division of Alcohol and Substance Abuse for treatment and advocacy programs.

While caseloads continue to increase, revenue is expected to decrease by \$6 million for the 1997-99 biennium, primarily a result of declining cigarette tax collections.

Figure 7

Violence Reduction and Drug Enforcement Account Sources



Employment and Training Trust Fund (E&T Trust Fund)

Created in 1993 as part of the workforce training initiative, the E&T Trust Fund pays for training opportunities for dislocated workers and expanded enrollment in the community colleges. Specifically, the legislation authorizes financial aid and training for individuals who have exhausted unemployment insurance benefits.

A portion of employer contributions to the unemployment compensation fund support the E&T Trust Fund. In 1993, employer contributions to the fund were reduced by 0.12 percent, which was offset by a new dedicated tax of 0.12 percent of taxable wages paid directly to the E&T Trust Fund. This offset tax is scheduled to terminate in 1998.

For the 1995-97 biennium, \$68 million is anticipated in available revenue, of which most has been appropriated. The community college system is scheduled to receive \$58.5 million, primarily for enrollment expansion, child care assistance and financial aid; the Employment Security Department received \$9.3 million for job resource centers through the community colleges.

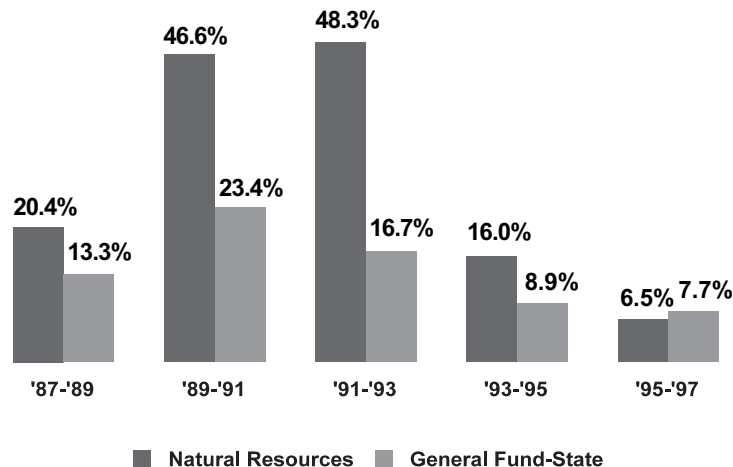
With the offset tax scheduled to sunset January 1, 1998, the future of the E&T Trust Fund is in doubt. The state already operates a variety of job training programs, more than 84 of which are scattered throughout various state agencies. Dislocated worker programs are funded through the state general fund, including the dislocated timber worker program and the Jobs in the Environment program operated by the Department of Natural Resources (DNR).

II. Natural Resources Funding

Traditionally, natural resource programs have been supported by dedicated accounts in an attempt to link directly program funding with services required. Mechanisms include: user fees (fishing and hunting licenses), permit fees (wastewater discharge), taxes with a close service connection (hazardous substances tax) and management accounts (e.g., a percentage of timber revenue, as provided in the Resource Management Cost Account).

The largest increases in natural resources expenditures occurred in the period 1989-1993. During those years, the Legislature established a series of environmental accounts, including those addressing air pollution, oil spills, hazardous waste, toxics control and underground storage.

Figure 8
Natural Resources Funds
 (Percent Change from Previous Biennium)



Management accounts of the Department of Natural Resources have long been dedicated funds and have generally grown at a pace similar to that of the general fund.

Three Natural Resources accounts should receive particular attention: the Water Quality Account, the Aquatic Land Enhancement Account (ALEA), and the State Toxics Account.

Water Quality Account

The Legislature created the Water Quality Account, which is administered by the Department of Ecology, in 1986 to finance water pollution control facilities. More than three-fourths of the account's funding comes from the 8 cents of the cigarette tax earmarked for the fund. A share of the tobacco products tax provides an additional 13 percent, with the balance generated by sales taxes on projects funded by the account. For 1995-97, about \$91 million is available, including nearly \$21 million in a subsidy from the state general fund.

Nearly the entire \$91 million was appropriated for the biennium, leaving an anticipated ending fund balance of just \$179,000. The account funds both capital projects and program operations, with most of the biennial spending appropriated in the capital budget. Of the \$75.8 million in capital expenditures, \$62 million is for grants to local governments.

The declining productivity of the dedicated revenue sources, primarily the cigarette tax, and the questionable availability of additional federal or state funds suggest that this fund will soon face severe limitations.

Aquatic Lands Enhancement Account (ALEA)

The Legislature created this DNR-administered account in 1984 for "the purchase, improvement or protection of aquatic lands for public purposes. Sales and leases of state-owned aquatic lands and the sale of valuable materials on these lands generates revenue for the account. For the current biennium, revenues of nearly \$16 million are anticipated, a doubling since 1991-93, primarily because of an increase in geoduck sales.

In part, ALEA provides operating revenues for DNR. This biennium, about \$2.5 million, or 15 percent of fund revenues, was appropriated for operations. As with the Water Quality Account, ALEA is appropriated in both capital and operating budgets.

State Toxics Account

The state toxics account originated with a voter initiative in 1988 and is administered through the Department of Ecology. It funds a variety of programs, including hazardous and solid waste planning, management and regulation, hazardous waste cleanup, hazardous materials, emergency response training, mitigation assistance and certain water pollution control facilities.

The account receives 47 percent of the hazardous substances tax collected by the Department of Revenue. (The balance of the tax goes to the Local Toxics Control Account.) This tax applies to petroleum products,

pesticides and certain chemicals at 0.07 percent of wholesale value and is anticipated to grow only 3 percent between this biennium and the next. The account also receives recovered costs of remedial actions and penalties under the Toxics Control Act.

Six agencies receive appropriations in the budget from the Toxics Controls Account. Of the \$54 million, the Department of Ecology receives \$49.6 million, with the balance distributed among the following state agencies: Community, Trade and Economic Development; Revenue; Health; Marine Safety; and Agriculture.

III. General Government Funds

General government funds include assessments and earnings which support the activities of particular state agencies. The agencies relying on these funds include the Liquor Control Board, Lottery Commission, Utilities and Transportation Commission, Department of Retirement Systems, Horse Racing Commission, Office of the Insurance Commissioner, State Investment Board and Office of the Treasurer. The largest of these funds is the Liquor Revolving Fund, which will receive \$113.7 million in this biennium.

Public Safety and Education Account (PSEA)

In addition to the agency accounts, general government funds include the Public Safety and Education Account. The second largest and most rapidly growing account in the group, the PSEA was established to fund traffic safety education, highway safety, criminal justice training, crime victims' compensation, judicial education, the judicial information system, civic indigent defense, winter recreation parking and state game programs.

This specific, yet wide-ranging, charter was further expanded by an operating budget amendment in 1995-97 that permitted the PSEA to provide funding for appellate indigent defense, the criminal litigation unit of the Attorney General, the Treatment Alternatives to Street Crime program, the crime victims' advocacy program, operations for the Office of the Administrator for the Courts, security in the public schools, alternative dispute resolution programs relating to farmworker employment claims, Washington State Patrol criminal justice activities and criminal justice data collection.

As the expanded portfolio suggests, the PSEA generates substantial revenues making it an attractive alternative funding source for lawmakers. The PSEA receives revenues from fees, fines, forfeitures, penalties and assessments by the courts. For the 1995-97 biennium, anticipated revenues total \$104.3 million, which, when combined with interest earnings and the beginning fund balance, bring total available revenues to \$119.8 million. Appropriations from the fund total \$119.6 million, leaving an ending balance of less than \$200,000.

IV. Capital Spending

Two factors make it difficult to track capital spending in the state: First, actual spending may lag the authorizing appropriation by several years; and, second, expenditures are often double-counted as accounts are shifted and funds are established for both construction and bond redemption.

Although construction spending continues to increase, appropriations patterns indicate slower growth, possibly even decline, ahead.

Figure 9
Capital Appropriations (in billions)

| | '85-'87 | '87-'89 | '89-'91 | '91-93 | '93-'95 | '95-'97 |
|--------------------|---------|----------|----------|----------|----------|----------|
| Capital Approp. | \$0.697 | \$1.003 | \$1.863 | \$1.890 | \$1.712 | \$1.640 |
| Percent Change | — | 43.7% | 85.8% | 1.4% | -9.4% | -4.2% |
| General Fund-State | \$9.184 | \$10.403 | \$12.842 | \$14.981 | \$16.314 | \$17.777 |
| Percent Change | — | 13.3% | 23.4% | 16.7% | 8.9% | 9.0% |

Public Works Assistance Account

The Public Works Assistance Account (also called the Public Works Trust Fund) makes loans and grants to local governments for infrastructure development, such as bridges, roads and sewer renovations. Dedicated taxes on water, sewer and refuse collection, as well as a percentage of the real estate excise tax, fund the account, which has experienced substantial growth. Often exceeding forecast revenues, the fund has more than doubled from the 1993-95 biennium, growing from \$103 million to \$229 million in the current biennium.

The rapid revenue growth has led the Legislature to approve revenue transfers for projects outside the statutory authority of the fund as follows:

\$10 million to the Flood Control Assistance Account (1996);

\$3 million to the Environmental Review Fund (1995); and

\$35 million to the state general fund (1993).

Endnotes

¹ Contact the Washington Research Council at (206) 467-7088 or (800) 294-7088 (instate) for the Pierce analysis.

² Using the historical data base of the Office of Financial Management for expenditure and allotment data. These data will not always agree with appropriations figures. Non-appropriated funds have been excluded from this analysis: The quality of information is less reliable and for some accounts (primarily those associated with higher education) there are no reports.

³ Arturo Perez and Ronald Snell, *Earmarking State Taxes*, National Conference of State Legislatures, Denver, April, 1995.

⁴ Cited in Perez and Snell, page 11.

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