

# SENATE BILL REPORT

## SB 5464

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As of February 13, 1995

**Title:** An act relating to common school construction.

**Brief Description:** Funding common school construction.

**Sponsors:** Senators Pelz, McAuliffe, Rasmussen, Smith, Heavey, Kohl, Franklin, Drew, Haugen and Bauer.

**Brief History:**

**Committee Activity:** Ways & Means: 2/9/95.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Denise Graham (786-7715)

**Background:** The budget stabilization account was created in 1981 for the deposit of state revenues during favorable periods of economic activity to provide a stable source of financing during periods of economic downturn. Currently, the balance in the account is \$125 million, \$25 million of which will be transferred to the pension funding account on July 1, 1995. Initiative 601 abolishes the budget stabilization account as of June 30, 1995.

The common school construction account is used to fund the state match on local school district construction projects. Revenues to the fund include revenues generated from the sale of timber from school trust lands, as well as other sources of revenue as the Legislature sees fit.

Timber revenues to the fund in the 1995-97 biennium are currently projected to be \$178.7 million. Estimated state match on construction projects eligible for funding next biennium total \$530 million, leaving a gap between revenues and eligible projects of \$351 million. The Senate 1995 supplemental budget provides additional funding that will reduce the projects eligible for funding next biennium by \$48 million, thus reducing the shortfall to \$303 million.

**Summary of Bill:** On repeal of the budget stabilization account, \$100 million is transferred from the budget stabilization account to the common school construction account.

**Appropriation:** None.

**Fiscal Note:** Requested on February 3, 1995.

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