

SENATE BILL REPORT

SB 6568

AS PASSED SENATE, FEBRUARY 14, 1994

Brief Description: Creating the pension improvement account.

SPONSORS: Senators Bauer and Skratek

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rinehart, Chairman; Quigley, Vice Chairman; Bauer, Cantu, Gaspard, Hargrove, Hochstatter, Ludwig, Moyer, Niemi, Pelz, Roach, Snyder, Sutherland, Talmadge, West, Williams and Wojahn.

Staff: Denise Graham (786-7454)

Hearing Dates: February 7, 1994; February 8, 1994

BACKGROUND:

Sec. 919 of the 1993 operating budget (SSB 5968) directed the State Treasurer to transfer \$25 million from the state general fund to the budget stabilization account by January 1, 1994. In addition to other allowable uses of funds from the budget stabilization account, the \$25 million may be used for the continuing costs of any state retirement system benefits in effect on July 1, 1993.

Under Initiative 601, the budget stabilization account is abolished as of June 30, 1995. The Initiative provides no direction on the disposition of monies in the account at that time.

SUMMARY:

The pension improvement account is created in the state treasury. Monies in the account may be appropriated for the continuing costs of any state retirement system benefits.

On July 1, 1995, the State Treasurer will transfer \$25 million from the budget stabilization account to the pension improvement account.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

Unless this bill is enacted, the money set aside last year for retirement benefits will disappear.

TESTIMONY AGAINST: None

TESTIFIED: Karen Davis, Washington Education Association (pro)