

## **SB 226 A -A6 STAFF MEASURE SUMMARY**

### **Joint Committee On Ways and Means**

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**Prepared By:** Doug Wilson, Budget Analyst

**Meeting Dates:** 5/12, 5/14

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#### **WHAT THE MEASURE DOES:**

Authorizes the transfer of \$200.0 million from the Education Stability Fund (ESF) for budgetary purposes to the State School Fund (SSF). This will assist in funding the State School Fund for 2021-23. With this \$200.0 million, the SSF is funded at a level of \$9.3 billion for 2021-23. The transfer will take place on June 30, 2021. This measure requires a three-fifths vote in each of the legislative chambers to pass.

#### **ISSUES DISCUSSED:**

- Impact of transfer on the balance of the Education Stability Fund
- Impact of the corporate kicker on the State School Fund

#### **EFFECT OF AMENDMENT:**

-A6 Replaces the original language of SB 226-A with the \$200.0 million transfer from the Education Stability Fund.

#### **BACKGROUND:**

The Education Stability Fund (ESF) has been accessed nine times since it was established in 2001-03. The last time it was accessed was during the August 2020 Special Session. The ESF is composed of 18% of the net proceeds from the lottery and is capped at 5% of the amount accrued in General Fund revenues during the prior biennium. This cap has never been reached. The March 2021 economic and revenue forecast estimated a balance of \$410.8 million at the end of the current biennium. That amount will be reduced by \$200.0 million if this bill passes. The other major reserve fund available is the Rainy-Day Fund which is estimated to have a balance at the end of the 2019-21 biennium of \$946.2 (March 2021 forecast).