

State Reserve Fund

Program Description

The State Reserve Fund is comprised of the following: (1) Revenue Stabilization Account, (2) Dedicated Purpose Account, (3) Economic Development Opportunities Program Account, and (4) Catastrophic Event Account. The objectives of the Fund are to designate, provide for and appropriate certain reserve funds for future use when the magnitude and timing of fiscal requirements are uncertain and retain in escrow State revenues for future requirements to reduce the need for future tax increases.

	FY 2016	FY 2017	FY 2018	FY 2019
	Actual	Actual	Estimated	Estimated
Balance as of June 30 (in million of \$)				
Revenue Stabilization Account	832.4	832.4	858.5	882.5
Dedicated Purpose Account	1.8			6.0
Economic Development Opportunities Account	26.2	21.7	16.7	11.7
Catastrophic Event Account	10.2	7.2	7.5	7.8
Total	<u>870.6</u>	<u>861.3</u>	<u>882.7</u>	<u>908.0</u>

Summary of State Reserve Fund

	2017	2018	2019
	Actual	Appropriation	Allowance
Operating Expenses	160,376,558	10,000,000	282,345,241
Net General Fund Expenditure	<u>160,376,558</u>	<u>10,000,000</u>	<u>282,345,241</u>
Total Expenditure	<u><u>160,376,558</u></u>	<u><u>10,000,000</u></u>	<u><u>282,345,241</u></u>

State Reserve Fund

Y01A01.01 Revenue Stabilization Account - Revenue Stabilization Account

Program Description

The Revenue Stabilization Account, also known as the Rainy Day Fund, was established to retain revenue for future needs and reduce the need for future tax increases by moderating revenue growth. Appropriations are required when the unappropriated general fund surplus of the second preceding fiscal year exceeds \$10 million. Appropriations are also required in years when the account balance is less than 7.5% of general fund revenue as stated in the annual report of the Board of Revenue Estimates submitted to the Governor. If the account balance is at least 3% but less than 7.5% of general fund revenue, an appropriation is required of \$50 million or whatever lesser amount is necessary to bring the balance to 7.5% of estimated general fund revenue. If the account balance is less than 3% of general fund revenue, the required appropriation is \$100 million. To transfer funds from the account requires specific authorization by an Act of the General Assembly or specific authorization in the budget bill if the transfer results in a balance that is a least 5% of projected general fund revenue. To transfer an amount that would reduce the account balance below 5% requires the transfer to be authorized in an Act of the General Assembly other than the budget bill.

Appropriation Statement

	2017 Actual	2018 Appropriation	2019 Allowance
12 Grants, Subsidies, and Contributions	155,376,558	10,000,000	196,345,241
Total Operating Expenses	155,376,558	10,000,000	196,345,241
Total Expenditure	<u>155,376,558</u>	<u>10,000,000</u>	<u>196,345,241</u>
Net General Fund Expenditure	<u>155,376,558</u>	<u>10,000,000</u>	<u>196,345,241</u>
Total Expenditure	<u>155,376,558</u>	<u>10,000,000</u>	<u>196,345,241</u>

State Reserve Fund

Y01A02.01 Dedicated Purpose Account - Dedicated Purpose Account

Program Description

The Dedicated Purpose Account was established to (1) retain appropriations for major, multi-year expenditures where the magnitude and timing of cash needs are uncertain and (2) meet expenditure requirements. Certain Restrictions may apply on the use of the funds and the manner in which funds may be transferred from the Account.

Appropriation Statement

	2017 Actual	2018 Appropriation	2019 Allowance
12 Grants, Subsidies, and Contributions	0	0	71,000,000
Total Operating Expenses	0	0	71,000,000
Total Expenditure	0	0	71,000,000
Net General Fund Expenditure	0	0	71,000,000
Total Expenditure	0	0	71,000,000

State Reserve Fund

Y01A03.01 Economic Development Opportunities Program Account - Economic Development Opportunities Program Account

Program Description

The Economic Development Opportunities Program Account, also known as the Sunny Day Fund, was established to provide conditional, multi-year loans and investments to take advantage of extraordinary economic development opportunities, inclusive of situations that create or retain substantial numbers of jobs or where considerable private investment will be leveraged.

Appropriation Statement

	2017 Actual	2018 Appropriation	2019 Allowance
12 Grants, Subsidies, and Contributions	5,000,000	0	15,000,000
Total Operating Expenses	5,000,000	0	15,000,000
Total Expenditure	<u>5,000,000</u>	<u>0</u>	<u>15,000,000</u>
Net General Fund Expenditure	5,000,000	0	15,000,000
Total Expenditure	<u>5,000,000</u>	<u>0</u>	<u>15,000,000</u>