

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 2020	FY 2021	FY 2022	FY 2023
	Actual	Actual	Estimated	Estimated
General Fund Balance as of June 30 (in \$ millions)				
Revenue Stabilization Account	1,177.2	631.2	1,160.2	3,587.8
Dedicated Purpose Account	43.9	10.0	-	-
Economic Development Opportunities Account	7.2	1.7	-	-
Catastrophic Event Account	3.8	3.8	10.0	10.0
Total	<u>1,232.1</u>	<u>646.7</u>	<u>1,170.2</u>	<u>3,597.8</u>

Summary of State Reserve Fund

	2021	2022	2023
	Actual	Appropriation	Allowance
Operating Expenses	114,000,000	980,739,432	3,107,780,846
Net General Fund Expenditure	114,000,000	672,919,432	2,936,557,031
American Rescue Plan Act of 21 Expenditure	0	307,820,000	171,223,815
Total Expenditure	<u>114,000,000</u>	<u>980,739,432</u>	<u>3,107,780,846</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

	2021 Actual	2022 Appropriation	2023 Allowance
12 Grants, Subsidies, and Contributions	7,000,000	525,788,482	2,415,799,306
Total Operating Expenses	7,000,000	525,788,482	2,415,799,306
Total Expenditure	7,000,000	525,788,482	2,415,799,306
Net General Fund Expenditure	7,000,000	525,788,482	2,415,799,306
Total Expenditure	7,000,000	525,788,482	2,415,799,306

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.

	FY 2021 Actual	FY 2022 Estimate	FY 2023 Estimate
General Funds			
Program Open Space	-	43,860,950	30,496,725
Pension Sweeper	-	25,000,000	25,000,000
OPEB Sweeper	-	25,000,000	25,000,000
Cybersecurity Assessments	10,000,000	-	-
Washington Metropolitan Area Transit Authority	97,000,000	-	167,000,000
State Center Relocation	-	50,000,000	-
New Veterans Home	-	-	63,261,000
Facilities Renewal – Higher Education	-	-	100,000,000
Facilities Renewal – State Agencies	-	-	100,000,000
Total	<u>107,000,000</u>	<u>143,860,950</u>	<u>520,757,725</u>
Deficiencies			
Cybersecurity	-	100,000,000	-
Net General Funds	<u>107,000,000</u>	<u>243,860,950</u>	<u>520,757,725</u>
Federal Stimulus Funds			
Apprenticeship and Employment Training	-	37,500,000	-
Broadband Infrastructure and Deployment	-	97,600,000	-
Digital Inclusion Fund	-	2,000,000	-
Digital Navigator Program	-	2,000,000	-
Gap Networks	-	5,000,000	-
K-12 Transitional Supplemental Instruction	-	46,000,000	-
Municipal Broadband Access	-	45,000,000	-
Rural Broadband	-	23,720,000	-
School HVAC	-	40,000,000	-
State Teleworking	-	5,000,000	-
USM Digital Divide	-	4,000,000	-
Local Government Infrastructure Fund - Statewide Broadband	-	-	171,223,815
Total	<u>-</u>	<u>307,820,000</u>	<u>171,223,815</u>

State Reserve Fund

Y01A02.01 Dedicated Purpose Account - Dedicated Purpose Account

	FY 2021 Actual	FY 2022 Estimate	FY 2023 Estimate
Deficiencies			
Apprenticeship and Employment Training	-	(37,500,000)	-
Broadband Infrastructure and Deployment	-	(71,223,815)	-
K-12 Transitional Supplemental Instruction	-	(46,000,000)	-
School HVAC	-	(40,000,000)	-
State Teleworking	-	(5,000,000)	-
Net Federal Stimulus Funds	<u>-</u>	<u>108,096,185</u>	<u>171,223,815</u>

Appropriation Statement

	2021 Actual	2022 Appropriation	2023 Allowance
12 Grants, Subsidies, and Contributions	107,000,000	451,680,950	691,981,540
Total Operating Expenses	<u>107,000,000</u>	<u>451,680,950</u>	<u>691,981,540</u>
Total Expenditure	<u>107,000,000</u>	<u>451,680,950</u>	<u>691,981,540</u>
Net General Fund Expenditure	107,000,000	143,860,950	520,757,725
American Rescue Plan Act of 21 Expenditure	<u>0</u>	<u>307,820,000</u>	<u>171,223,815</u>
Total Expenditure	<u>107,000,000</u>	<u>451,680,950</u>	<u>691,981,540</u>
American Rescue Plan Act of 21 Expenditure			
21.027 American Rescue Plan Act of 2021	0	307,820,000	0
21.028 Local Government Infrastructure Fund - Statewide Broadband	0	0	171,223,815
Total	<u>0</u>	<u>307,820,000</u>	<u>171,223,815</u>

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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

	2021 Actual	2022 Appropriation	2023 Allowance
12 Grants, Subsidies, and Contributions	0	3,270,000	0
Total Operating Expenses	0	3,270,000	0
Total Expenditure	0	3,270,000	0
Net General Fund Expenditure	0	3,270,000	0
Total Expenditure	0	3,270,000	0