
DIGEST

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Schroder

HB No. 535

Abstract: Establishes the Working Cash Stabilization Fund, comprised of 2% of the official forecast. With consent of 2/3 of each house of the legislature, up to half of the fund balance may be applied toward a projected deficit. Fund balances in excess of 7 1/2% of state expenditures may be used for certain purposes.

Proposed constitutional amendment provides that, beginning with FY 2015-2016, total appropriations from the state general fund (SGF) shall not exceed 98% of estimated SGF revenues contained in the most recently adopted official forecast of the Revenue Estimating Conference (REC).

Proposed constitutional amendment establishes the Working Cash Stabilization Fund (the fund). Beginning with FY 2015-16, the treasurer shall annually deposit in and credit to the fund 2% of the estimate of SGF revenues available for appropriation contained in the most recently adopted forecast of the REC. Such deposits shall be made from SGF monies. Monies in the fund shall be invested as provided by law. All investment earnings and unexpended and unencumbered monies in the fund at the end of the fiscal year shall remain in the fund. Monies on deposit in the fund shall be available for interfund borrowing.

Proposed constitutional amendment limits the uses of the fund to the following:

- (1) With consent of 2/3 of the elected members of each house, if the official forecast for a fiscal year is less than the official forecast for the preceding fiscal year, up to half of the fund may be used to provide the difference between the official forecasts.
- (2) With consent of 2/3 of the elected members of each house, if there is a current year decrease in the official forecast, up to half of the fund may be transferred to the SGF to eliminate the projected deficit. If the legislature is not in session, the 2/3 consent may be obtained by written consent.
- (3) Monies in the fund in excess of 7 1/2 percent of SGF appropriations for any fiscal year may be appropriated or expended but only for the following purposes: to provide for the retirement of state debt and for nonrecurring expenses.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 4, 2014.

(Adds Const. Art VII, §§10(D)(4) and 10.13)