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MEMORANDUM

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January 20, 2010

TO: Interested Persons

FROM: Kate Watkins, Economist, 303-866-6289

SUBJECT: Rainy Day Funds

This memorandum provides information about how Colorado and other states structure their budget stabilization funds, commonly referred to as "rainy day funds." Attached to this memorandum is a table developed by the National Conference of State Legislatures (NCSL) that summarizes the structure of each state budget stabilization fund as of 2008.

Summary

Currently, there are only three states, Arkansas, Kansas, and Montana, without a state budget stabilization fund. Commonly referred to as "rainy day funds," these funds are used to help stabilize states' budgets during economic downturns, budget shortfalls, or non-fiscal emergencies. The structure of rainy day funds differ widely across states, with various methods and requirements for depositing and withdrawing money from funds, and various provisions for the replenishment of funds after money has been withdrawn.

In some literature Colorado is said to lack a rainy day fund. In these studies, the General Fund Reserve is not considered to be a rainy day fund due to its size and structure, despite use of the reserve in the past for budget stabilization during budget shortfalls. Each year the reserve is required to meet a balance set statutorily as a percentage of General Fund appropriations. Current law requires that the reserve increase over time to an amount equal to 6.5 percent of General Fund appropriations.

State Rainy Day Funds

Currently, there are only three states, Arkansas, Kansas, and Montana, without a state budget stabilization fund of any form.[1] These funds are commonly referred to as "rainy day funds" and are used to stabilize states' budgets during economic downturns, budget shortfalls, or non-fiscal emergencies such as natural disasters. Generally, each state has a unique constitutional and/or statutory structure that determines the fund size, how revenue is deposited into the fund, and how and when funds may be drawn down. Notably, some states have more than one rainy day fund.

Legal authority. State rainy day funds are created and structured through either constitutional, statutory, or a combination of constitutional and statutory provisions. Generally, statutorily-authorized funds allow state legislatures greater flexibility in fund use.

Rainy day fund size. States' rainy day funds differ widely in their size (how much is kept in the fund each year). Fund sizes have ranged across states from zero to upwards of 15 percent of General Fund appropriations depending on the fiscal year. Table 1 on page 6 of this memorandum provides estimates of the size of rainy day funds by state from FY 2005-06 through FY 2007-08.

- *Minimum balance requirements*. Some states have a requirement that rainy day funds be filled to a minimum level each year. These requirements may be relaxed during economic downturns or other events when money is drawn from the fund. This minimum is often expressed as a percentage of appropriations, a percentage of revenue, or a set dollar amount.

- *Maximum balance requirements (fund caps).* Many state rainy day funds are limited by a cap on the size of the fund. This cap is often expressed as a percentage of appropriations, a percentage of revenue, or a set dollar amount.

Recommendations on the optimal size of a rainy day fund differ widely. Some studies suggest that fund size be tied to the revenue volatility of a state, where states with more volatile revenue streams should have larger rainy day funds to provide more budget stabilization during downward swings in revenue.[2] Other studies suggest a fund size ranging anywhere from 5 percent to above 20 percent of annual General Fund appropriations.[3]

Methods for deposit. Most states fund their rainy day funds from surplus General Fund money.[4] However, this is not always the case. Methods for depositing money into state rainy day funds include the following:

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[1]Thatcher, Daniel. "State Budget Stabilization Funds." National Conference of State Legislatures (NCSL). Revised September 26, 2008.

[2]Cornia, Gary C. and Ray D. Nelson. "Rainy Day Funds and Value at Risk." *State Tax Notes*, August 25, 2003.

[3]University of Tennessee Center for Business and Economic Research. "Rainy Day Funds: Analysis and Recommendations for Tennessee." May 2007.

[4]"Surplus" General Fund money is unexpended General Funds left over at the end of a fiscal year.

- *Percent of revenue or budget surplus*. Some states require that a portion of the state budget or revenue surplus be deposited into the fund. For example, 50 percent of surplus revenue and 50 percent of budget surplus left over at the end of the fiscal year are required to be deposited into Kentucky's Budget Reserve Trust Fund until a specified cap amount is reached.

- *Percent of General Fund appropriations*. Some states require a set percentage of General Fund appropriations be deposited into the fund each year. For example, three percent of total General Fund appropriations are required to be deposited into California's Budget Stabilization Account each year.

- *Percent of a dedicated revenue source*. In some states, rainy day funds receive revenue from a certain revenue source each year. This may occur as a set dollar amount or as a percentage of total revenue or appropriations. For example, 24.5 percent of state tobacco settlement money is required to be deposited into Hawaii's Emergency Budget Reserve Fund each year.

- *By appropriation*. Some states annually appropriate an amount to their rainy day fund.

- *Required balance*. Some states' rainy day funds, including Colorado's General Fund Reserve, do not specify a method for deposit. Instead, they specify a total amount or percentage of appropriations required to be in the fund each fiscal year. For Colorado, this amount is set as a percentage of General Fund appropriations.

- *Formulas for when deposits are made*. Some states use a specific formula to determine when deposits are made. For example, money is transferred into Arizona's rainy day fund when annual state personal income growth exceeds a certain rate.

Many states employ a combination of these methods to fund their rainy day funds. Also, deposit requirements may be relaxed during revenue declines, economic downturns, or natural disasters.

Methods for withdrawal. States differ in the "trigger" or action required for drawing down rainy day funds. Many states only allow withdrawals during revenue or budget shortfalls, while some states also allow withdrawals for non-fiscal emergencies such as natural disasters. States currently require one or a combination of more than one of the following methods for withdrawal:

- majority vote by the state legislature;
- two-thirds vote by the state legislature;
- approval by the Governor;
- budget shortfalls (if revenue is not sufficient to meet current budget obligations);
- by appropriation;
- triggered by economic indicators indicating an economic downturn (e.g., two quarters of declines in employment, or personal income decreasing by more than negative two percent); and
- triggered by a forecast of economic indicators indicating an economic downturn (e.g., a forecast of employment growth less than one percent).

Notably, some states, including Colorado, have limitations on how much can be spent from a rainy day fund. These limitations are typically set as a percentage of the fund. For example, in Colorado under current law, the Governor is required to take actions to reduce General Fund expenditures to so that at least half of the General Fund Reserve remains in any given fiscal year.

Replenishment requirements. Some states require that rainy day funds be replenished after funds are withdrawn. Replenishment requirements are structured in the following ways:

- *Same year repayment*. Money borrowed from Illinois' Budget Stabilization Fund must be repaid by the end of the fiscal year in which they are borrowed.

- *Repayment in the following fiscal year*. Colorado's General Fund Reserve must be replenished up to the statutorily-defined balance in the fiscal year following any draw down of funds.

- *Repayment in future years*. Some states allow for a number of years over which a rainy day fund can be replenished. For example, withdrawals from New York's Rainy Day Reserve Fund must be repaid within a period of three years.

- *Repayment triggered by an economic indicator*. Some states, such as Minnesota, require fund replenishment when economic activity reaches a certain level as indicated by growth in state personal income, employment, retail sales, wages, and other economic indicators.

Colorado's "Rainy Day Fund"

The General Fund Reserve. In some literature, Colorado's General Fund Reserve is not considered a rainy day fund due to its size and the requirement that it be replenished each year. However, some literature considers the reserve a rainy day fund because it has been used to assist in budget stabilization during economic downturns and subsequent budget shortfalls. The reserve is structured as follows:

- *Legal authority*. The reserve is created under statutory authority.[5]

- *Fund size.* Over the course of the state's history, the required balance of the General Fund Reserve has been as high as 6 percent of General Fund appropriations, and as low as zero (as was the case during the economic downturn and budget shortfall in FY 2001-02). Under current law, the reserve is scheduled to increase over time until it reaches 6.5 percent of General Fund appropriations in FY 2016-17. The schedule of increases is triggered by five percent growth in personal income starting in 2012.

- *Methods for deposit*. The reserve is made up of a portion of surplus General Funds. It does not have a dedicated revenue source or set amount required to be deposited into the fund each year. Instead, General Fund budgeting must be balanced such that the reserve totals the statutorily-define percentage of General Fund appropriations.

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[5]See Section 24-75-201.1 (1) (VII) (D) (d), C.R.S.

- *Methods for withdrawal*. There is no criteria for withdrawing funds from the reserve. However, if revenue forecasts indicate that over half of the reserve will be depleted in a given fiscal year, the Governor is required to implement a plan to reduce General Fund appropriations to ensure that at least half of the reserve remains.

- *Replenishment requirement*. Colorado's General Fund Reserve must be replenished each year up to the statutorily-defined percentage of General Fund appropriations in the fiscal year following any draw down of funds.

TABOR Emergency Reserve. The TABOR Amendment, passed by the voters in 1992, contains a provision that requires at least three percent of state fiscal year spending, excluding bonded debt service, be kept in the TABOR Emergency Reserve.[6] The reserve can only be used to pay for non-fiscal emergencies, such as natural disasters. The reserve is currently in several funds and includes nonfinancial assets. Similar to the General Fund Reserve, the TABOR Emergency Reserve must be replenished in the fiscal year after money is withdrawn. Unlike the General Fund Reserve, the TABOR Emergency Reserve is created under constitutional authority.

[6] Article X, Section 20 (5), Colorado Constitution

Table 1. Estimated State Rainy Day Funds, FY 2005-06 through FY 2007-08

(Dollars in Millions)

Region/State	Rainy Day Fund Total FY 2006	Rainy Day Fund Total FY 2007	Rainy Day Fund Total FY 2008	Funds as a Percentage of General Fund Appropriations FY 2006	FY 2007	FY 2008
Alabama	$0.00	$0.00	$0.00	0.0%	0.0%	0.0%
Alaska	$2,423.70	$2,613.20	$2,743.90	54.7%	47.1%	66.6%
Arizona	$649.60	$687.00	$705.20	7.3%	6.6%	6.7%
Arkansas	$0.00	$0.00	$0.00	0.0%	0.0%	0.0%
California	$10,071.30	$4,066.00	$4,070.00	11.0%	4.0%	4.0%
Colorado*	**$0.00**	**$0.00**	**$0.00**	**0.0%**	**0.0%**	**0.0%**
Connecticut	$1,112.50	$1,248.50	$1,249.20	7.9%	8.4%	7.7%
Delaware	$161.10	$175.40	$182.80	5.1%	5.1%	5.4%
Florida	$1,091.20	$1,248.50	$1,353.70	4.2%	4.4%	4.7%
Georgia	$792.50	$885.00	$980.00	4.6%	4.8%	5.1%
Hawaii	$53.10	$36.30	$48.60	1.1%	0.7%	0.9%
Idaho	$108.60	$121.60	$135.30	4.9%	4.7%	4.8%
Illinois	$276.00	$276.00	$276.00	1.1%	1.1%	1.0%
Indiana	$328.20	$442.70	$358.20	2.7%	3.5%	2.8%
Iowa	$391.80	$535.10	$592.40	7.8%	10.0%	10.1%
Kansas	$0.00	$0.00	$0.00	0.0%	0.0%	0.0%
Kentucky	$119.00	$231.50	$204.20	1.4%	2.6%	2.2%
Louisiana	$681.90	$681.90	$681.90	8.8%	8.8%	7.8%
Maine	$79.90	$115.50	$122.10	2.8%	3.9%	3.9%
Maryland	$758.80	$1,415.20	$673.70	6.1%	10.0%	4.6%
Massachusetts	$2,154.70	$2,311.60	$2,129.00	7.8%	7.9%	7.2%
Michigan	$2.10	$2.20	$221.50	0.0%	0.0%	2.2%
Minnesota	$1,003.00	$1,003.00	$1,003.00	6.5%	6.3%	5.9%
Mississippi	$72.60	$223.70	$273.80	1.8%	5.4%	5.6%
Missouri	$493.00	$537.00	$585.00	6.9%	6.8%	7.0%
Montana	$0.00	$0.00	$0.00	0.0%	0.0%	0.0%
Nebraska	$273.60	$504.10	$494.80	8.9%	15.9%	14.9%
Nevada	$233.60	$267.70	$267.70	8.2%	8.0%	8.2%
New Hampshire	$69.00	$89.00	$89.00	5.2%	6.5%	6.0%
New Jersey	$559.80	$489.80	$489.80	1.9%	1.6%	1.5%
New Mexico	$798.20	$540.30	$581.40	14.9%	9.1%	10.1%
New York	$944.00	$1,031.00	$1,031.00	2.2%	2.1%	2.0%
North Carolina	$628.80	$786.60	$786.60	3.7%	4.2%	3.8%
North Dakota	$99.50	$200.00	$200.00	10.2%	19.7%	16.6%
Ohio	$616.70	$1,012.30	$1,012.30	3.2%	5.1%	5.0%
Oklahoma	$461.30	$495.70	$571.60	7.4%	7.0%	8.1%
Oregon	$0.00	$0.00	$309.40	0.0%	0.0%	4.5%
Pennsylvania	$340.70	$529.10	$725.00	1.4%	2.0%	2.7%
Rhode Island	$95.40	$98.20	$104.20	3.1%	3.1%	3.1%
South Carolina	$153.50	$167.70	$186.80	2.7%	2.5%	2.6%
South Dakota	$137.20	$132.60	$0.00	13.0%	12.1%	0.0%
Tennessee	$324.70	$542.90	$750.00	3.6%	5.2%	6.3%
Texas	$405.20	$1,371.30	$3,181.40	1.3%	3.9%	8.0%
Utah	$254.90	$312.00	$352.00	6.0%	6.2%	6.0%
Vermont	$61.00	$69.60	$71.80	5.5%	5.9%	6.1%
Virginia	$1,064.70	$1,189.90	$1,314.40	7.1%	6.6%	7.5%
Washington	$24.70	$31.40	$158.70	0.2%	0.2%	1.0%
West Virginia	$124.10	$232.10	$272.00	3.5%	6.7%	7.3%
Wisconsin	$0.60	$56.40	$59.00	0.0%	0.4%	0.4%
Wyoming	$996.00	$60.00	$109.60	77.7%	3.6%	6.5%
United States Total	**$31,491.80**	**$29,066.60**	**$31,708.00**	**5.3%**	**4.5%**	**4.7%**

Source: National Conference of State Legislatures (NCSL).

*Colorado's General Fund Reserve is not considered a rainy day fund in this survey.

State Budget Stabilization Funds, *Appendix A*

State	Fund	C or S	Citation	Most Recent Legislative Action	Method for Deposit	Method for Withdrawal	Supermajority Vote to Access Fund	Repayment Provision	Caps	Note
Alabama	Education Proration Prevention Fund (1988)	S	Ala. Code § 40-1-32.1	1999	Automatic appropriation of $21M in the first year (following the fund's depletion) and $8M thereafter up to $75M. Automatic appropriation can be waived via emergency resolution. At the beginning of each fiscal year, 20% of the unappropriated and unanticipated ending balance of the previous fiscal year until the fund reaches at least $75M.	Declaration of proration by governor, or declaration of emergency by legislature with a 2/3 vote of both House and Senate	*See* Method for Withdrawal.	Yes, as provided by the Legislature at its discretion.	Any amount of money in the Proration Prevention Account which is in excess of 10% of the preceding year's Education Trust Fund appropriations act shall revert back to the Education Trust Fund for the support and maintenance of public education.	Any monetary interest which accrues in the Proration Prevention Account shall be retained in said account from year to year.
Alabama	Education Trust Fund (ETF) Rainy Day Account	C	Ala. Const. art. XIV, § 260.01		By constitutional amendment; one time carve-out of oil and gas royalty funds equal to 6% of the ETF FY 2002 appropriation ($248M)	Certification that proration would occur without the funds.		Yes, replenishment within 5 years; no provision for opting out of repayment.		
Alaska	Budget Reserve Fund	S	Alaska Stat. § 37.05.540		By appropriation.	By appropriation or by declaration of emergency by governor.				
Alaska	Constitutional Budget Reserve Fund	C	Alaska Const. art. IX, § 17		All money received by the state as a result of the termination, through settlement or otherwise, of an administrative proceeding or of litigation in State or federal court involving mineral lease bonuses, rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments or bonuses, or involving taxes imposed on mineral income, production, or property, shall be deposited in the budget reserve fund.	If the amount available for appropriation for a fiscal year is less than the amount appropriated for the previous fiscal year; or, for any public purpose with a 3/4 vote.	Yes, 3/4 vote of both House and Senate.	Yes, until the amount appropriated is repaid, the amount of money in the general fund available for appropriation at the end of each succeeding fiscal year is deposited in the budget reserve fund.		
Arizona	Budget Stabilization Fund	S	Ariz. Rev. Stat. Ann. § 35-144; Ariz. Rev. Stat. Ann. § 35-313; Ariz. Rev. Stat. Ann. § 35-314.02		By appropriation. (In a calendar year in which the annual growth rate exceeds the trend growth rate, the excess growth when multiplied by total general fund revenue of the fiscal year ending in the calendar year determines the amount to be appropriated by the legislature to the fund in the FY in which the calendar year ends.)	By appropriation (In a calendar year in which the annual growth rate is both less than 2% and less than the trend growth rate, the difference between the annual growth rate and the trend growth rate when multiplied by the total general fund revenue of the fiscal year ending in the calendar year determines the amount to be transferred by the legislature from the budget stabilization fund to the state general fund at the end of the fiscal year in which the calendar year ends. The transfer calculated pursuant to this subsection shall not exceed the available balance in the fund, nor shall the legislature transfer an amount which exceeds the amount sufficient to balance the general fund budget); 2/3 vote is required to waive formula-determined withdrawal.			Fund capped at 7% of FY's GF revenues.	
California	Budget Stabilization Account	C	Cal. Const. art. XVI, art. 20	Passed by voters in 2004 primary election.	In each FY, the controller shall transfer from the GF to the Budget Stabilization Account a sum equal to 3% of the estimated amount of GF revenues for the current FY. (Transfers may be suspended or reduced by executive order of the governor.)	Monies in the sinking fund subaccount (*see* Notes) are continuously appropriated to the treasurer to be expended for the purpose of retiring deficit recovery bonds. All other withdrawals are as prescribed by statute.			5% of estimated GF revenues or $8B, whichever is greater.	Of the monies transferred to the Budget Stabilization Account each FY, 50% shall be deposited in the Deficit Recovery Bond Retirement Sinking Fund Subaccount (housed within the Budget Stabilization Account), for the purpose of retiring deficit recovery bonds.
California	Special Fund for Economic Uncertainties	S	Cal. Gov't Code § 16418	2006 Amendment: language cleanup.	Year-end surplus or by appropriation.	1) Transfer by controller to cover revenue shortfall or other GF deficiency; or 2) Director of finance can allocate funds for disaster relief (with notification to the Joint Legislative Budget Committee).		The Controller returns all of the monies transferred out of the Special Fund without payment of interest as soon as there are sufficient monies in the General Fund.		
Colorado	Required Reserve	S	Colo. Rev. Stat. § 24-75-201.1	2007 Colo. SB 222	For each FY, unrestricted GY year-end balances are retained as a reserve in an amount equal to 4% of the amount appropriated for expenditure (i.e., GF operating appropriations) from the GF for that FY.	By appropriation or other statutory authorization.			4% of GF operating appropriations.	

State Budget Stabilization Funds, *Appendix A*

State	Fund	C or S	Citation	Most Recent Legislative Action	Method for Deposit	Method for Withdrawal	Supermajority Vote to Access Fund	Repayment Provision	Caps	Note
Connecticut	Budget Reserve Fund	S	Conn. Gen. Stat. § 4-30a; see also Conn. Const. Amend. Art. 3, § 18		Year-end surplus is transferred by the state treasurer to the Budget Reserve Fund.	Automatic appropriation to cover immediately preceding fiscal year's deficit to the extent funds are available. To use surplus monies for purposes beyond budget deficit relief or reduction of bonded indebtedness, authorization must be granted by 3/4 of the members of each house.	*See* Method for Withdrawal.		Fund cannot exceed 10% of net GF appropriations for the fiscal year in progress. In the event a surplus exists after Fund appropriation, remaining surplus is appropriated to State Employees Retirement, subject to a 5% cap of the system's unfunded past service liability. In the event a surplus still remains, surplus is appropriated to reduction of bonded indebtedness as specified in statute.	Interest derived from the Fund is credited to the GF.
Delaware	Budget Reserve Account	C	Del. Const. art. VIII, § 6; Del. Code Ann. tit. 29, § 6533		Automatic deposit from previous year's unencumbered funds.	By appropriation to cover budget deficit or to compensate for revenue reductions; requires 3/5 vote.	*See* Method for Withdrawal.		5% of GF	
District of Columbia	Emergency Cash Reserve Fund	S	D.C. Code § 1-204.50a	Technical changes signed into law 2006.	Deposit required each year to maintain a balance of 2% of expenditures.	Based on a policy developed by the Chief Financial Officer, in consultation with the Mayor, for uses such uses as, but not limited to, unanticipated and nonrecurring extraordinary needs of an emergency nature including a natural disaster or in the event of a State of Emergency as declared by the Mayor.		Must be fully replenished within two years of use (50% per year).	2% of expenditures	
District of Columbia	Contingency Cash Reserve Fund	S	D.C. Code § 1-204.50a	Technical changes signed into law 2006.	Deposit required each year to maintain a balance of 4% of expenditures.	Based on a policy developed by the Chief Financial Officer, in consultation with the Mayor, for uses such uses as, but not limited to, unanticipated and nonrecurring extraordinary needs including to cover a revenue shortfall.		Must be fully replenished within two years of use (50% per year).	4% of expenditures	
Florida	Budget Stabilization Fund	S	Fla. Stat. § 215.18; Fla. Stat. § 215.32; Fla. Stat. § 215.37; Fla. Stat. § 216.221; Fla. Stat. § 216.222	2004 Fl. ALS 239; 2005 Fl. ALS 152; 2006 Fl. ALS 122; 2007 Fl. ALS 6; 2007 Fl. ALS 217	By Sept. 15 of each year, the governor authorizes the chief financial officer to transfer to the Budget Stabilization Fund an amount equal to at least 5% of net revenue collections for the General Revenue Fund during the last completed fiscal year. Monies needed for the Budget Stabilization Fund may be appropriated by the legislature from any funds.	Budget Stabilization Funds may be used to offset a deficit in the General Revenue fund, to provide funding for states of emergency, or to provide temporary transfers as defined by law (*see* Fla. Stat. § 215.18). A transfer from the Budget Stabilization Fund may be approved: 1) by the Governor in response to a declared disaster within a declaration period (*see* § 252.37(2)); 2) by the Governor and Legislative Budget Commission to satisfy budget authority granted for declared disasters when not within the declaration period; 3) by the Comptroller to address an end-of-year revenue short fall (*see* § 216.222); 4) by the Governor and House/Senate Appropriations Chairs to offset a revenue shortfall under 1.5% of monies appropriated from the General Revenue Fund (*see* § 216.221); and, 5) by the Governor and House/Senate Appropriations Chairs for temporary transfers to General Revenue (*see* §§ 216.222(1)(c) and 215.18).		Repayment of budget stabilization funds shall be made in five equal annual transfers from the General Revenue Fund, beginning in the third FY following the year in which the expenditure was made. If the transfer was made to address an end-of-year revenue shortfall, the Comptroller shall first repay the fund with any general revenue carried forward.	Not to exceed 10% of the last completed fiscal year's net General Revenue Fund collections.	The Budget Stabilization Fund may be used as a revolving fund for transfers as provided in Fla. Stat. § 215.18; however, any interest earned must be deposited in the General Revenue Fund.
Georgia	Revenue Shortfall Reserve	S	Ga. Code § 45-12-71; Ga. Code § 45-12-93	2005 Ga. ALS 322	Surplus in state funds existing as of the end of each fiscal year are added and reserved to the Revenue Shortfall Reserve.	By appropriation to cover any deficit by which total expenditures exceed net revenues.			Not to exceed 10% of the previous fiscal year's net revenue.	General Assembly may appropriate up to 1% of the net revenue collections of the preceding fiscal year for funding increased K-12 needs.

State Budget Stabilization Funds, *Appendix A*										
State	**Fund**	**C or S**	**Citation**	**Most Recent Legislative Action**	**Method for Deposit**	**Method for Withdrawal**	**Supermajority Vote to Access Fund**	**Repayment Provision**	**Caps**	**Note**
Hawaii	Emergency and Budget Reserve Fund	S	Hawaii Rev. Stat. § 328L-3	2002 Haw. Sess. Laws, Act 178, § 3; 2002 Haw. Sess. Laws, Act 16, § 24; 2007 Haw. Sess. Laws, Act 78, § 4	By appropriation, plus 24.5% of tobacco settlement monies received by the state.	With a 2/3 majority approval of both houses, the legislature may make appropriations from the fund for the following reasons: to maintain levels of programs determined to be essential to the public health, safety, welfare, and education; to provide for counter cyclical economic and employment programs in periods of economic downturn; to restore facilities destroyed or damaged or services disrupted by disaster in any county; and to meet other emergencies when declared by the governor or determined to be urgent by the legislature. The governor, through an appropriations bill, may recommend expenditures from the fund.	Appropriations require 2/3 majority approval of both houses.			All interest earned from the fund will be credited to the general fund.
Idaho	Budget Reserve Account	S	Idaho Code § 57-814; Idaho Code § 57-814A		If the state controller certifies that the receipts to the general fund for the fiscal year just ending have exceeded the receipts of the previous fiscal year by more than 4%, then the state controller shall transfer all general fund collections in excess of said 4% increase to the budget stabilization fund, up to a maximum of 1% of the actual general fund collections of the fiscal year just ending. The state controller shall make the transfers in four equal amounts during Sept., Dec., March and June of the next fiscal year.	At the end of the fiscal year, if the state board of examiners determines that insufficient general fund monies are available to meet the level of general fund appropriations authorized by the legislature for that same fiscal year, the board is authorized to transfer certain unencumbered monies from the budget stabilization fund to the general fund. Such transfers will be the final accounting adjustment to close the fiscal year and shall be limited to the amount of the insufficiency or one-half of one percent (0.5%) of the original general fund appropriations made for the fiscal year just ending, whichever is less. Any transfer made pursuant to this section from the budget stabilization fund to the general fund shall be specifically addressed in the governor's executive budget recommendation for the following year which is then subject to review or action by the legislature.			5% of the total general fund receipts for the fiscal year just ending.	Appropriations of monies from the budget stabilization fund in any year shall be limited to 50% after the fund balance has reached 5%. Interest earnings from the investment of monies in the Budget Reserve Account are credited to the permanent building account.
Illinois	Budget Stabilization Fund	S	Ill. Rev. Stat. ch. 30, § 122/5; Ill. Rev. Stat. ch. 30, § 122/10; Ill. Rev. Stat. ch. 30, § 122/15; Ill. Rev. Stat. ch. 30, § 122/20; Ill. Rev. Stat. ch. 30, § 122/25; Ill. Rev. Stat. ch. 30, § 105/6z-51	2003 ILL. ALS 660	If GF revenues increase by more than 4% from the prior fiscal year's revenues and appropriations from the GF do not exceed 99% of GF revenues, 0.5% of GF revenues are transferred to the Budget Stabilization Fund. If GF revenues increase by more than 4% for two consecutive fiscal years and appropriations from the GF do not exceed 98% of GF revenues, 1% of GF revenues are transferred to the Budget Stabilization Fund. Transfers to the Budget Stabilization Fund occur on the 1st day of each month in shares of 1/12 of the total FY's Budget Stabilization Fund appropriation.	The State Comptroller may direct the State Treasurer to transfer monies from the Budget Stabilization Fund to the GF in order to meet cash flow deficits resulting from timing variations between disbursements and the receipt of funds within a fiscal year.		Monies borrowed must be repaid by June 30 of the fiscal year in which they were borrowed.	5% of the total of general fund revenues.	"The Budget Stabilization Fund is … established for the purpose of reducing the need for future tax increases, maintaining the highest possible bond rating, reducing the need for short term borrowing, providing available resources to meet State obligations whenever casual deficits or failures in revenue occur, and providing the means of addressing budgetary shortfalls. In authorizing transfers from the Budget Stabilization Fund … priority consideration should be given to meeting obligations for [K-12] education, child care, and other programs that may provide a direct benefit to children."
Indiana	Counter-Cyclical Revenue and Economic Stabilization Fund	S	Ind. Code Ann. § 4-10-18-1, et seq.; see also Ind. Code Ann. § 6-1.1-21.5-3 and Ind. Code Ann. § 6-1.1-21.9-2		Statutory formula triggered when the annual growth rate in adjusted personal income exceeds 2%.	Statutory formula triggered when the annual growth rate in adjusted personal income is less than negative 2%.			Fund capped at 7% of state GF revenue.	
Iowa	Cash Reserve Fund	S	Iowa Code § 8.56; Iowa Code § 8.57		By appropriation when there is a year-end GF surplus.	By appropriation for non-recurring emergency expenditures; requires 3/5 vote if the fund's balance drops to less than 3.75% of the adjusted revenue estimate for the year in which the appropriation is made.	*See* Method for Withdrawal.	Monies in the cash reserve fund may be used for cash flow purposes during a fiscal year provided that any monies so allocated are returned to the cash reserve fund by the end of that fiscal year.	Fund capped at 7.5% of the adjusted GF revenue estimate for the current fiscal year.	

State Budget Stabilization Funds, *Appendix A*

State	Fund	C or S	Citation	Most Recent Legislative Action	Method for Deposit	Method for Withdrawal	Supermajority Vote to Access Fund	Repayment Provision	Caps	Note
Iowa	Economic Emergency Fund	S	Iowa Code § 8.55		By appropriation when there is a year-end GF surplus.	By appropriation for emergency expenditures. Appropriation may not exceed $50M.			Fund capped at 2.5% of the adjusted revenue estimate for the fiscal year.	
Kentucky	Budget Reserve Trust Fund	S	Ky. Rev. Stat. § 48.705		The lesser of: 1) 50% of GF revenue surplus plus 50% of unexpended balance of GF appropriations; or 2) the amount necessary, from the GF revenue surplus plus the unexpended balance of appropriations, to make the balance of the budget reserve trust fund account equal to 5% of GF revenue receipts.	By 1) appropriation; or 2) if actual general fund revenue receipts are not sufficient to meet the GF appropriation levels authorized by the General Assembly in the branch budget bills for the executive, legislative, and judicial branches.			5% of GF revenue receipts.	
Louisiana	Budget Stabilization Fund	C	La. Const. art. VII, § 10.3; see also La. Rev. Stat. Ann. §§ 39:94; 39:95	2003 La. ALS 1307; 2005 La. ALS 34	Automatic deposit of revenues exceeding $750M from taxes on the production of, or exploration for, minerals. With some limitations, the $750M base may be increased every 10 years, beginning in the year 2000, by a law enacted by a 2/3 vote.	By appropriation, not to exceed one-third of the fund and requiring a 2/3 vote when: 1) the official forecast for a fiscal year is less than revenues received by the state in the preceding fiscal year; or 2) if a deficit for the current fiscal year is projected due to a decrease in the official forecast.	*See* Method for Withdrawal.		4% of total state revenue receipts for the previous fiscal year.	
Maine	Budget Stabilization Fund	S	Me. Rev. Stat. Ann. tit. 5, §§ 1531; 1532; 1533; 1534; 1535; 1536	2005, 2007	Transfer from the GF unappropriated surplus.	Subject to annual legislative deliberations.			Fund may not exceed 12% of total GF revenues in the immediately preceding state fiscal year and may not be reduced below 1% of total GF revenue in the immediately preceding state FY.	
Maryland	Revenue Stabilization Account	S	MD Code, State Finance and Procurement, § 7-311	2003	By appropriation. If Account balance is below 3% of estimated GF revenues, the governor shall include in the budget bill an appropriation equal to at least $100M; if balance is at least 3% but less than 7.5% of estimated GF revenues, the governor shall include in the budget bill an appropriation equal to at least the lesser of $50M or the amount necessary for the fund balance to exceed 7.5% of estimated GF revenues for the fiscal year.	Transferred by governor if authorized by an act of the General Assembly or specifically authorized in the state budget bill as enacted; Legislature may reduce amount transferred by amending budget bill.			7.5% of estimated GF revenues.	
Massachusetts	Commonwealth Stabilization Fund	S	Mass. Gen. Laws Ann. Ch. 29, § 2H; Ch 29, § 5C		0.5% of the total revenue from taxes in the preceding FY shall be available to be used as revenue for the current fiscal year and 0.5% of the total revenue from taxes in the preceding FY shall be transferred to the Stabilization Fund. Any remaining amount shall be transferred to the Stabilization Fund.	By appropriation: 1) to make up any difference between actual state revenues and allowable state revenues when actual revenues fall below the allowable amount; or 2) to replace the state and local loss of federal funds; or 3) for any event that threatens the health, safety or welfare of the people or the fiscal stability of the state.			Fund capped at 15% of current fiscal year revenues.	
Michigan	Countercyclical Budget & Economic Stabilization Fund	S	Mich. Comp. Laws §§ 18.1351; 18.1352; 18.1353; 18.1354; 18.1355; 18.1356; 18.1357; 18.1358; 18.1359		Statute requires appropriation of an amount equal to: (annual growth rate in real personal income in excess of 2%) X (total GF revenues for the fiscal year ending in the current calendar year).	If annual growth rate in real personal income is negative, withdrawal equals (deficiency) X (total GF revenues for the fiscal year ending in the current calendar year), but no more than needed to balance budget. Also, if unemployment is between 8% and 11.9%, 2.5% of fund can be used for economic stabilization in calendar quarter; if unemployment is over 12%, 5% of fund can be used for economic stabilization in calendar quarter. Additionally, an emergency appropriation from the fund may be made with 2/3 majority vote of both houses.	*See* Method of Withdrawal.		10% of GF and school aid revenues for FY.	
Minnesota	Budget Reserve and Cash Flow Accounts	S	Minn. Stat. §16A.152		If surplus remains in the GF after close of biennium, commissioner of finance allocates money to the following accounts in following order: (1) the cash flow account until that account reaches $350M; (2) the budget reserve account until that account reaches $653M; (3) the amount necessary to increase the aid payment schedule for school district aid and credit payments; and (4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift.	By transfer authorized by the commissioner of finance, with approval of the governor and in consultation with the Legislative Advisory Commission, when: (1) a negative budgetary balance is projected and when objective measures (such as reduced growth in total wages) reflect downturns in the state's economy; or (2) probable receipts for the GF will be less than anticipated and the amount available for the rest of the biennium will be insufficient.		The restoration of the budget reserve should be governed by principles based on the full economic cycle rather than the budget cycle. Restoration of the budget reserve should occur when objective measures, such as increased growth in total wages, retail sales, or employment, reflect upturns in the state's economy.	De facto cap of $1,003M ($350M cap on cash flow account; $653M cap on budget reserve account).	

State Budget Stabilization Funds, *Appendix A*										
State	**Fund**	**C or S**	**Citation**	**Most Recent Legislative Action**	**Method for Deposit**	**Method for Withdrawal**	**Supermajority Vote to Access Fund**	**Repayment Provision**	**Caps**	**Note**
Mississippi	Working Cash-Stabilization Reserve Fund	S	Miss. Code Ann. § 27-103-203		Year-end surplus until the fund reaches $40M; thereafter, 50% of the unencumbered GF cash balance until the fund reaches 7.5% of GF appropriations.	Transfer by the executive director of the Department of Finance & Administration: 1) to meet cash-flow needs; or 2) to cover deficits (up to $50M in any one fiscal year); or 3) to provide funds for disaster assistance.		Borrowed funds must be repaid within the same FY.	7.5% of GF appropriations if Working Cash-Stabilization Reserve Fund's balance exceeds $40M.	
Missouri	Budget Reserve Fund	C	Mo. Const. art. IV, § 27(a); Mo. Rev. Stat. § 33.285		The commissioner of administration shall transfer from the GF to the budget reserve fund an amount equal to a "cash operating transfer" plus interest, prior to May 16 of the FY in which the transfer was made. A "cash operating transfer" is a transfer made by the commissioner of administration from the budget reserve fund to the GF to meet the cash requirements of the state.	If the governor reduces the expenditures of the state or any of its agencies below their appropriations, or in the event of a disaster, the governor may request the general assembly to appropriate funds from the budget reserve fund to cover the reduced expenditures or budget needs due to disasters. The maximum amount which may be appropriated at any one time for such budget stabilization purposes shall be 1/2 of the sum of the balance in the fund.	Any transfers requested of the general assembly by the governor require 2/3 vote of both houses of the general assembly.	1/3 of the amount transferred or expended from the budget reserve fund plus interest stand appropriated to the budget reserve fund during each of the next three fiscal years, and such amount, and any additional amounts which may be appropriated for that purpose, shall be transferred from the fund which received such transfer to the budget reserve fund by the fifteenth day of the fiscal year for each of the next three fiscal years or until the full amount, plus interest, has been returned to the budget reserve fund. The maximum amount which may be outstanding at any one time and subject to repayment to the budget reserve fund for budget stabilization purposes shall be one-half of the sum of the balance in the fund and all outstanding amounts appropriated or otherwise owed to the fund.	7.5% of net general revenue for previous FY.	
Nebraska	Cash Reserve Fund	S	Neb. Rev. Stat. § 84-612		Transfer by state treasurer when actual GF net receipts for the preceding three months exceed estimated receipts for the three-month period.	Transfer is made to the GF when the cash balance in the GF is inadequate to meet current obligations.				
Nevada	Fund to Stabilize Operation of State Government	S	Nev. Rev. Stat. § 353.288	2001, 2003, 2005	State comptroller must deposit into the Fund to Stabilize Operation of State Government 40% of the unrestricted balance of the state GF which remains after subtracting an amount equal to 10% of all appropriations made from the GF.	By appropriation only if: 1) the total actual revenue of the state falls short by 5% or more of the total anticipated revenue for the biennium in which the appropriation is made; or 2) the legislature and governor declare a fiscal emergency.			Balance in Fund not to exceed 15% of total appropriations from GF.	
New Hampshire	Revenue Stabilization Reserve Account	S	N.H. Rev. Stat. Ann. § 9:13-e		With some limitations, transfer by comptroller of any surplus at the end of each biennium.	Transfer by comptroller with the approval of fiscal committee and governor when: 1) GF operating deficit occurred for most recently completed fiscal year; and 2) unrestricted GF revenues in the most recently completed fiscal year were less than budget forecast. Fund cannot be used for any other purpose without a 2/3 vote and governor's approval.	*See* Method for Withdrawal.		Fund capped at 10% of actual GF unrestricted revenues for the most recently completed fiscal year.	
New Jersey	Surplus Revenue Fund	S	N.J. Stat. Ann. § 52:9H-14; N.J. Stat. Ann. § 52:9H-15; N.J. Stat. Ann. § 52:9H-16; N.J. Stat. Ann. § 52:9H-17; N.J. Stat. Ann. § 52:9H-18; N.J. Stat. Ann. § 52:9H-19; N.J. Stat. Ann. § 52:9H-20; N.J. Stat. Ann. § 52:9H-21; N.J. Stat. Ann. § 52:9H-22		50% of actual revenue collections in excess of governor's certification of revenues.	By appropriation only: 1) upon certification by the governor that anticipated GF revenues are estimated to be less than those certified upon approval of appropriations act; 2) upon findings by the legislature that to offset anticipated GF revenue declines, an appropriation from the fund is more prudent than a tax increase; 3) when the governor declares an emergency and notifies the Joint Legislative Budget Oversight Committee.			Fund capped at 5% of anticipated revenues.	If in a FY an appropriation is made from the Surplus Revenue Fund for reasons other than a declared emergency, no new taxes or increase in existing taxes can be enacted unless a decline in GF revenue is greater than 2%.

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New Mexico	Operating Reserve Fund	S	N.M. Stat. Ann. § 6-4-2.1		Transfer from GF.	By specific authorization of the legislature only in the event that GF revenues and balances are insufficient to meet authorized levels of appropriations.				
New York	Tax Stabilization Reserve Fund	S	N.Y. State Fin. Law § 92; (*See also* N.Y. Const. art. 7, § 17)		Any GF cash surpluses existing at year-end, up to a maximum contribution of 0.2% of total GF disbursements.	By transfer at the end of a fiscal year when GF receipts fall below the aggregate amount disbursed from the GF. The fund also can be temporarily loaned to the GF to assist with cash flow.		Once borrowed, fund must be paid back within six years in three equal installments. Repayments to the Tax Stabilization Reserve Fund shall be stipulated in annual budget bills. Monies loaned on a temporary basis must be repaid in cash by the end of the FY in which they were borrowed.	Reserve fund balance cannot exceed 2% of GF disbursements for the FY.	
New York	Rainy Day Reserve Fund	S	N.Y. State Fin. Law § 92-cc	Created 2007.	By appropriation.	In the event of an economic downturn or catastrophic event, and upon notification to leaders of the executive and legislative branches, the director of the budget may authorize and direct the comptroller to transfer from the rainy day reserve fund to the GF the amount needed to meet the requirements of the state financial plan. An economic downturn is defined as five consecutive months of decline in the composite index of business cycle indicators.		Withdrawals made due to economic downturn shall be repaid in cash within a period of three years. Withdrawals made due to catastrophic events shall be subject to repayment provisions to be proposed by the governor and implemented by appropriation or transfer of funds.	Fund cannot exceed 3% of projected GF disbursements for the upcoming FY.	
North Carolina	Savings Reserve Account	S	N.C. Gen. Stat. § 143C-4-2	2006 N.C. ALS 203	Transfer of 1/4 of any unreserved credit balance at the end of the fiscal year.	Funds reserved to the Savings Reserve Account shall be available for expenditure only upon an act of appropriation by the General Assembly "[…] to address unanticipated events and circumstances such as natural disasters, economic downturns, threats to public safety, health, and welfare, and other emergencies."			It is a goal of the General Assembly and the State to accumulate and maintain a balance in the Savings Reserve Account equal to or greater than 8% of the prior year's GF operating budget.	
North Dakota	Budget Stabilization Fund	S	N.D. Cent. Code § 54-27.2-01; N.D. Cent. Code § 54-27.2-02; N.D. Cent. Code § 54-27.2-03		Transfer of GF surplus in excess of $65M at the end of the biennium.	Governor may transfer for revenue shortfall in excess of 2.5% of the estimate made by the most recently adjourned Assembly.			5% of the current biennial GF budget until June 30, 2009, thereafter, the cap moves from 5% to 10%.	
Ohio	Budget Stabilization Fund	S	Ohio Rev. Code Ann. § 131.43		General Assembly to maintain by appropriation an amount of money in the budget stabilization fund that amounts to approximately 5% of the GF revenues for the preceding FY.	Governor submits to the General Assembly proposals for appropriations between the GF and the budget stabilization fund.		Approximately 5% of GF revenues for the preceding FY.		The balance of the Budget Stabilization Fund may be combined with the balance in the GF for purposes of cash management.
Oklahoma	Constitutional Reserve Fund	C	Okla. Const. art. X, § 23		Transfer by the state treasurer of surplus of previous FY's GF revenue estimates.	Up to 3/8 of the balance may be appropriated if: 1) forthcoming fiscal year GF revenue is certified to be less than that of current fiscal year certification; or 2) if a revenue failure has occurred with respect to the GF of the State Treasury. Also, up to 1/4 of the balance may be appropriated if: 1) emergency declaration by governor with concurrence by Legislature with a 2/3 vote; 3) joint emergency declaration by speaker and president pro tempore with concurrence by Legislature with a 3/4 vote.	*See* Method for Withdrawal.		10% of GF revenue for the preceding FY.	

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Oregon	Education Stability Fund	C	Ore. Const. art. XV, § 4 (*see* Ore. Rev. Stat. § 348.716)	2002	18% of net proceeds from the state lottery is deposited in the fund until the fund cap is reached. The legislature may make additional appropriations into the fund.	Appropriation may be made with 3/5 of each house if: 1) the last quarterly economic and revenue forecast for a biennium indicates GF revenue's for the next biennium will be at least 3% less than appropriations from the state's GF for the current biennium; 2) there has been a decline for two or more consecutive quarters in the last 12 months in seasonally adjusted nonfarm payroll employment; or 3) a quarterly economic and revenue forecast projects that revenues in the state's GF in the current biennium will be at least 2% below what the revenues were projected to be in the revenue forecast on which the adopted budget for the current biennium was based; or 4) if the proposed appropriation, allocation or transfer is approved by 3/5 of each house and the governor declares an emergency.	3/5 of each house of the legislature.		5% of GF revenues from the previous biennium.	Appropriations from the fund must be used on public education.
Oregon	Rainy Day Fund	S	Ore. Rev, Stat. § 293.144, et seq.; (Chap. 5 Oregon Laws 2007)	2007	An amount equal to 1% of the GF appropriations made for that biennium is to be transferred to the Rainy Day Fund; if the ending balance is equal to or less than 1% of the GF appropriations, then the entire amount of the ending balance is to be transferred to the Rainy Day Fund.	Appropriation may be made with 3/5 of each house if: 1) the last quarterly economic and revenue forecast for a biennium indicates GF revenue's for the next biennium will be at least 3% less than appropriations from the state's GF for the current biennium; 2) there has been a decline for two or more consecutive quarters in the last 12 months in seasonally adjusted nonfarm payroll employment; or 3) a quarterly economic and revenue forecast projects that revenues in the state's GF in the current biennium will be at least 2% below what the revenues were projected to be in the revenue forecast on which the adopted budget for the current biennium was based.	3/5 of each house of the legislature.		7.5% of GF revenues from the previous biennium.	Legislature may not appropriate more than 2/3 of the fund for any one biennium.
Pennsylvania	Budget Stabilization Reserve Fund	S	Pa. Stat. Ann. tit. 72, § 1701-A; Pa. Stat. Ann. tit. 72, § 1702-A; Pa. Stat. Ann. tit. 72, § 1703-A	2002, 2005	In the event of a surplus in the GF, 25% of the surplus is deposited into the Budget Stabilization Reserve Fund, or by appropriation.	By appropriation with 2/3 vote when governor declares an emergency or to counterbalance downturns in the economy that will result in significant unanticipated revenue shortfalls.	By 2/3 vote of both chambers.		If the Budget Stabilization Reserve Fund exceeds 6% of the actual GF revenues received for the fiscal year in which the surplus occurs, 10% of the surplus shall be deposited by the end of the next succeeding quarter into the Budget Stabilization Reserve Fund.	Any money appropriated from Budget Stabilization Reserve Fund which has then lapsed is returned to the Budget Stabilization Reserve Fund.
Puerto Rico	Budgetary Fund	S	PR ST T. 23 § 106		Budgetary Fund to be maintained at not less than one third of one percent (1/3 of 1%) of the total Joint Budget Resolution (the governor may order a larger deposit).	The Governor may transfer funds to cover appropriations when resources are insufficient, to provide for payment of public debt service, to address any unexpected situation in the public service, or to honor obligations of programs funded with contributions or grants from the U.S. government that have not been received.			Fund capped at 6% of the appropriated funds of the Budget Joint Resolution in any year.	
Rhode Island	State Budget Reserve and Cash Stabilization Account	S (& C)	R.I. Gen. Laws § 35-3-20; R.I. Gen. Laws § 35-3-20.1; *see also* R.I. Const. art. IX, § 16, *and* R.I. Gen. Laws § 35-6-1	2006	State budget cannot exceed 98% (☐FY09, 98.7%; FY10, 97.6%) of estimated state general revenues. An amount remaining between the budget cap (currently 98%) and 100% of estimated state general revenues is transferred by the controller into the Budget Reserve Account.	By resolution adopted by a majority vote of each house of the general assembly when the budget officer declares that actual GF revenue will not equal the original estimates upon which appropriations were based.		State statutes call for the fund to be repaid in the second fiscal year following the fiscal year in which a transfer was made from the fund and, when necessary, in subsequent fiscal years.	Fund capped at 3% (FY09, 3.4%; FY10, 3.8%) of total fiscal year resources.	
South Carolina	General Reserve Fund	C	S.C. Const. art. III, § 36; *see also* S.C. Code Ann. § 11-11-310		Transfer of prior year unobligated cash balance.	By appropriation.		Amount must be restored to the Budget Reserve Fund within three FYs at a rate of not less than 1% of GF revenue of latest completed FY until fund is restored to 3%.	Fund capped at 3% of GF appropriations for the prior fiscal year.	

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South Carolina	Capital Reserve Fund	S	S.C. Code Ann. § 11-11-320; S.C. Code Ann. § 11-11-325; S.C. Code Ann. § 11-11-335; see also S.C. Const. art. III, § 36		By appropriation an amount equal to 2% of GF revenue of the latest completed fiscal year.	By appropriation when revenues at the end of the fiscal year are projected to be less than expenditures authorized by appropriation for that year.	If the Capital Reserve Fund is not tapped to address a budget deficit, the Legislature--with 2/3 vote of members present and voting, but not less than 3/5 vote of total membership--can appropriate money from the fund: 1) to finance in cash previously authorized capital improvement bond projects; 2) to retire interest or principal on bonds previously issued; or 3) for capital improvements or other nonrecurring purposes.		Fund capped at 2% of GF appropriations for the prior fiscal year.	Any monies remaining in the Fund at the end of the FY lapse and are credited to the GF.
South Dakota	General Reserve Fund	S	S.D. Codified Laws Ann. § 4-7-32	2002	Transfer of prior year unobligated cash balance to General Reserve Fund	By special appropriation of the Legislature to redress unforeseen expenditure obligations or unforeseen revenue shortfalls.	2/3 vote of each house of the Legislature.		10% of GF	http://legis.state.sd.us/IssueMemos/IssueMemos/Im02-02.pdf
Tennessee	Reserve for Revenue Fluctuations	S	Tenn. Code Ann. § 9-4-211	2003	By appropriation an amount 10% or greater of the estimated growth in state tax revenues.	By transfer by the commissioner of Finance and Administration to offset revenue shortfalls, with notification to the chairs of the Finance, Ways & Means Committees of the Senate and House. Expenditure from the fund cannot exceed $100M or 1/2 of the available reserve to meet expenditure requirements in excess of budgeted appropriation levels.			5% of estimated state tax revenues to be allocated to the GF and education trust fund for given FY.	The statute declares legislative intent to be that, to the extent practicable, revenue shortfalls will be offset by reductions in expenditures before using amounts in the reserve fund.
Texas	Economic Stabilization Fund	C	Tex. Const. art. III, § 49-g		The constitutional amendment creating the fund mandates the following revenue transfers to it: 1) one-half of any unencumbered general revenue fund balance at the end of each fiscal biennium; 2) an amount of general revenue equal to 75% of the amount by which oil production tax collections in any future fiscal year exceed oil production tax collections in fiscal year 1987; 3) an amount of general revenue equal to 75% of the amount by which natural gas production tax collections in any future fiscal year exceed oil production tax collections in the fiscal year 1987; 4) the Legislature also may appropriate additional funds.	By appropriation with a 3/5 vote of members present if: 1) the comptroller certifies that appropriations from general revenue made by the preceding legislature for the current biennium exceed available general revenues for the remainder of the biennium; 2) an estimate of anticipated revenues for a succeeding biennium is less than the revenues estimated to be available for the current biennium; 3) for any purpose with 2/3 vote of members present.	*See* Method for Withdrawal.		Fund capped at 10% of general revenue fund deposits (excluding interest and investment income) during the preceding biennium.	
Utah	Budget Reserve Account	S	Utah Code Ann. § 63-38-2.5; *see also* Utah Code Ann. § 63-38-2.6		25% of GF surplus.	By appropriation to cover operating deficits, state settlement agreements, retroactive tax refunds, or deficits in public education appropriations.		If a surplus exists and if, within the last 10 years, the Legislature has appropriated any money from the General Fund Budget Reserve Account that has not been replaced, up to an additional 25% more of the surplus must be transferred to the General Fund Budget Reserve Account to replace the amounts appropriated from the fund.	Fund capped at 6% of the GF appropriation and Uniform School Fund appropriation amount for the FY in which a surplus occurred.	
Vermont	Budget Stabilization Trust Fund	S	Vt. Stat. Ann. tit. 32, § 308		Undesignated GF surplus; also, any additional amounts as may be authorized by the General Assembly.	Transfer by the commissioner of Finance and Management to the extent necessary to offset a GF deficit.			Fund is capped at 5% of GF appropriations for the prior fiscal year.	

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State	Fund	C or S	Citation	Most Recent Legislative Action	Method for Deposit	Method for Withdrawal	Supermajority Vote to Access Fund	Repayment Provision	Caps	Note
Virgin Islands	Budget Stabilization Fund	S	V.I. Code Ann. tit. 33, § 33/3100m	2006	An annual appropriation of $10M, and any FY end surplus.	Transfer by the commissioner of finance to: 1) offset an deficit in the GF at the end of a FY; 2) offset a temporary shortfall in the GF caused by lagging revenue collections; and, 3) provide emergency funding for disaster recovery.		Any monies disbursed to offset shortfall must be repaid to the fund by the end of the FY.	5% of total appropriations from the GF for FY in progress.	
Virginia	Revenue Stabilization Fund	C	Va. Const. art. X, § 8; (*see also* Va. Code § 2.2-1828; Va. Code § 2.2-1829; Va. Code § 2.2-1830; Va. Code § 2.2-1831)		By formula as specified in the state's constitution: Deposit ≥ 0.5 x [(certified tax revenues) x (FY's % increase - average increase over six years)]. Also, ***if***: a) annual % increase in certified tax revenues ≥ 8%; ***and*** b) annual % increase in certified tax revenues ≥ 1.5% of six year average increase; ***and*** c) estimated GF revenues for current FY > 5% of previous FY's actual GF revenues; ***then*** Governor shall submit in the budget recommendations an additional deposit into the fund ≥ 0.25 x [(certified tax revenues) x (FY's % increase - average increase over six years)].	General Assembly may make a withdrawal only if GF revenues appropriated exceed revised GF revenue forecast by more than 2% of certified tax revenues collected from previous FY. Withdrawal may not exceed 1/2 of the fund, and may not compensate more than 1/2 of the projected revenue shortfall.			Fund capped at 10% of the average annual tax revenues derived from income and retail sales for the three FYs immediately preceding.	
Washington	Budget Stabilization Account	C	Wa. Const. art. VII, § 12	SJR 8206 (approved in 2007 general election)	By June 30th of each FY, an amount equal to 1% of the general state revenues for that FY shall be transferred to the budget stabilization account.	Withdrawal may be made if: 1) Governor declares emergency, legislature may by majority vote of both houses provide an appropriation; 2) employment growth forecast is less than 1%, "moneys may be withdrawn and appropriated from the Fund" by a majority vote of both houses. Additionally, 3) an appropriation may be made at any time by 3/5 vote of both houses.	*See* Method for Withdrawal.		10% of estimated general state revenues.	
West Virginia	Revenue Shortfall Reserve Fund	S	W. Va. Code § 11B-2-20		By transfer of the first 50% of all surplus revenues accrued during the fiscal year just ended.	By appropriation to meet any anticipated revenue shortfall, for emergency revenue needs caused by acts of God or natural disasters or for other fiscal needs as determined solely by the legislature.		Any funds borrowed must be repaid, without interest, and redeposited to the credit of the fund within 90 days of their withdrawal.	Fund capped at 10% of GF appropriations for the fiscal year just ended.	The amount of funds borrowed shall not exceed 1.5% of general revenue estimate of the FY in which the funds are to be borrowed, or the amount the governor determines is necessary to make timely payment of the state's obligations, whichever is less.
Wisconsin	Budget Stabilization Fund	S	Wis. Stat. § 20.875; Wis. Stat. § 25.60; Wis. Stat. § 16.465; Wis. Stat. § 16.518		By transfer of 50% of surplus revenues.	By appropriation.			Fund capped at 5% of estimated expenditures from the GF.	
Wyoming	Budget Reserve Account	S	Wyo. Stat. § 9-2-1014.1; Wyo. Stat. § 39-14-801	2005	Year-end surplus plus appropriations.	By appropriation.				

Key:
S–Statutory
C–Constitutional
M–Million
B–Billion
FY–Fiscal Year
GF–General Fund

Source: Author's own compilation and analysis. Please contact the author for questions or revisions.