The Fiscal Health Dashboard shows two items on the Reserve tab under “Working Rainy Day”

- Cash Funded Buildings
- Cash Funded Roads

These are “rainy day” in the sense that cash could be diverted to other purposes and expenditures could continue through bonding.
Three Reserve items under “Budgetary Reserves” are affected by General Fund appropriations and surpluses

- General Rainy Day
- Medicaid Rainy Day
- Disaster Recovery Fund

Statute directs automatic deposits into these accounts under certain conditions
Exploit the possibility of creating an “Infrastructure Capital Development Fund” (ICDF) that would combine elements of Working Rainy Day and Budgetary Reserves

- Statute could direct automatic deposits to the ICDF
- Cash flowing to the ICDF could be diverted to other purposes
Options for automatic deposits

- General Fund surpluses after other automatic deposits have been satisfied
- Surpluses from the Transportation Fund (TF) and Transportation Investment Fund of 2005 (TIF)
- Savings on highway projects
- Debt service savings
Considerations in use of funds

- General Fund surpluses: free to be directed to any purpose allowed under the ICDF’s enabling statute
- TF: under constitution must be directed to highways
- TIF: under statute must be directed to highways
- Savings on highway projects: see TF & TIF
- **Debt service** savings: see GF surpluses & TIF
Direction of use of ICDF

- The Legislature could direct projects and amounts that would be funded
  - In recent practice the Legislature has authorized/directed specific highway projects in bond bills
  - Using the ICDF could be an alternative to borrowing for specific projects
  - This would be outside the current process for highway projects
- Under current statute the Transportation Commission prioritizes projects and amounts