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.
Budgetary Reserves

- 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
Infrastructure Capital Development Fund

- Explore 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
Infrastructure Capital Development Fund

- 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