

Budget Stabilization Fund 10 Year Scenario Through FY 2006-07 With a 20% Limit on the Fund Balance

(Law passed in 1994, Positive Referendum in Nov. 1994, Ratified in 1995, and First Used for the FY 1996-97 Appropriation Act)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Fiscal Year	General Fund Revenue Collections (Millions)	Annual Growth Rate	10 Year Growth Rate with 1 year Lag	Revenue Available for Appropriation (Millions)	Revenue Adjustments (Millions)	General Fund Revenue Available for Appropriation with adjustments (Prior Year + 10 yr. annual growth rate) (Millions)	Potential Distributions (Withdrawals) From Budget Stabilization Fund (Millions)	No Limit Budget Stabilization Fund Balance (Millions)	20% Limit Budget Stabilization Fund Balance (Millions)	20% Limit Distributions from Budget Stabilization Fund (Millions)
86	2,509.3	4.8%								
87	2,692.8	7.3%								
88	2,938.4	9.1%								
89	3,142.5	6.9%								
90	3,294.8	4.8%								
91	3,305.4	0.3%								
92	3,341.6	1.1%								
93	3,672.6	9.9%								
94	4,024.5	9.6%								
95	4,233.5	5.2%								
96	4,346.0	2.7%		4,180.9	(25.8)	4,155.1				
97	4,588.3	5.6%	5.646%		(15.1)	4,374.6	213.7	213.7	213.7	-
98	4,845.7	5.6%	5.474%		(4.8)	4,609.3	236.4	450.1	450.1	-
99	5,268.3	8.7%	5.129%		(60.4)	4,785.3	483.0	933.1	933.1	-
00	5,379.6	2.1%	5.303%		13.6	5,052.7	326.9	1,260.0	1,075.9	184.1
01	5,484.3	1.9%	5.025%		(37.7)	5,268.9	215.4	1,475.4	1,096.9	194.5
02	5,300.6	-3.3%	5.194%		-	5,542.6	(242.0)	1,233.4	854.9	-
03	5,305.1	0.1%	4.722%		(15.5)	5,788.8	(483.7)	749.7	371.2	-
04	5,571.1	5.0%	3.746%		5.4	6,011.0	(439.9)	309.8	(68.7)	-
05	6,005.9	7.8%	3.305%		(58.0)	6,151.7	(145.8)	164.0	(145.8)	-
06	6,586.9	9.7%	3.559%		(40.7)	6,329.9	257.0	421.0	257.0	-
07	7,124.8	8.2%	4.246%		(92.1)	6,506.6	618.2	1,039.2	875.2	-
08	NA	NA	4.499%		(250.6)	6,548.7				

Column 4: The 10 year average growth for FY 2007-08 is calculated with a 1 year lag, or the growth from FY 1996-97 through FY 2006-07. This is because when the FY 2008-09 budget process begins in the Fall of 2007, the latest completed fiscal year collections available is FY 2006-07.

Column 5: This analysis utilizes the revenue available for appropriation as certified by the BEA for FY 1995-96 as the revenue base to which the 10 year annual average growth rate is applied.

Column 6: Revenue adjustments are annual permanent changes to revenue adopted in the Appropriations Act or other legislation effective in that fiscal year, as determined by the BEA.

Column 7: This column reports the revenue available for appropriation. It is calculated by taking the prior year's revenue available for appropriation and multiplying this times the 10 year growth rate for that year. The revenue is increased or decreased by the revenue adjustments that are effective for that fiscal year. For example, the \$4,374.6 million in revenue available for appropriation for FY 97 is the prior year's \$4,155.1 million multiplied times the 5.646% annual growth from the past 10 years calculated for FY 97 in col. 4. This amount is decreased by \$15.1 million for the tax reductions that took effect in FY 97.

Column 8: This column calculates the amount of money distributed to or withdrawn from the Budget Stabilization Fund. It is the amount of revenue available for appropriation reported in Col. 7, including adjustments, subtracted from the actual revenue collections in Col. 2. For example, the \$213.7 million deposited into the Fund in FY 97 is derived from the actual collections of \$4,588.3 million in Col. 2 less the \$4,374.6 million in revenues available for appropriation in Col. 7.

Column 9: Reports the cumulative net amount of revenue in the Budget Stabilization Fund over time.

Column 10: Reports the cumulative net amount of revenue in the Budget Stabilization Fund over time if the total amount in the Fund were limited to a maximum of 20% of that years actual General Fund revenue collections as reported in Col. 2. For example, in FY 00 the Fund could contain \$1,260 million without any limit. With a 20% limit, the Fund would only total \$1075.9 million and \$184.1 million would be available for appropriation or other uses as mandated by the General Assembly.

Note: The shortfall in the Budget Stabilization Fund in FY 05 of this scenario could be covered by reserve funds or by reducing appropriations. The FY 04 Capital Reserve Fund was \$98.6 million which was used for mid-year budget cuts by the Budget and Control Board. The FY 05 Capital Reserve Fund was \$99.4 million which was appropriated by the General Assembly.

Budget Stabilization Fund 10 Year Scenario Through FY 2006-07 With a 15% Limit on the Fund Balance (2)

(Law passed in 1994, Positive Referendum in Nov. 1994, Ratified in 1995, and First Used for the FY 1996-97 Appropriation Act)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Fiscal Year	General Fund Revenue Collections (Millions)	Annual Growth Rate	10 Year Growth Rate with 1 year Lag	Revenue Available for Appropriation (Millions)	Revenue Adjustments (Millions)	General Fund Revenue Available for Appropriation with adjustments (Prior Year + 10 yr. annual growth rate) (Millions)	Potential Distributions (Withdrawals) From Budget Stabilization Fund (Millions)	No Limit Budget Stabilization Fund Balance (Millions)	15% Limit Budget Stabilization Fund Balance (Millions)	15% Limit Distributions from Budget Stabilization Fund (Millions)
86	2,509.3	4.8%								
87	2,692.8	7.3%								
88	2,938.4	9.1%								
89	3,142.5	6.9%								
90	3,294.8	4.8%								
91	3,305.4	0.3%								
92	3,341.6	1.1%								
93	3,672.6	9.9%								
94	4,024.5	9.6%								
95	4,233.5	5.2%								
96	4,346.0	2.7%		4,180.9	(25.8)	4,155.1				
97	4,588.3	5.6%	5.646%		(15.1)	4,374.6	213.7	213.7	213.7	-
98	4,845.7	5.6%	5.474%		(4.8)	4,609.3	236.4	450.1	450.1	-
99	5,268.3	8.7%	5.129%		(60.4)	4,785.3	483.0	933.1	790.2	142.9
00	5,379.6	2.1%	5.303%		13.6	5,052.7	326.9	1,260.0	806.9	310.2
01	5,484.3	1.9%	5.025%		(37.7)	5,268.9	215.4	1,475.4	822.6	199.7
02	5,300.6	-3.3%	5.194%		-	5,542.6	(242.0)	1,233.4	580.6	-
03	5,305.1	0.1%	4.722%		(15.5)	5,788.8	(483.7)	749.7	96.9	-
04	5,571.1	5.0%	3.746%		5.4	6,011.0	(439.9)	309.8	(343.0)	-
05	6,005.9	7.8%	3.305%		(58.0)	6,151.7	(145.8)	164.0	(145.8)	-
06	6,586.9	9.7%	3.559%		(40.7)	6,329.9	257.0	421.0	257.0	-
07	7,124.8	8.2%	4.246%		(92.1)	6,506.6	618.2	1,039.2	875.2	-
08	NA	NA	4.499%		(250.6)	6,548.7				

Column 4: The 10 year average growth for FY 2007-08 is calculated with a 1 year lag, or the growth from FY 1996-97 through FY 2006-07.

This is because when the FY 2008-09 budget process begins in the Fall of 2007, the latest completed fiscal year collections available is FY 2006-07.

Column 5: This analysis utilizes the revenue available for appropriation as certified by the BEA for FY 1995-96 as the revenue base to which the 10 year annual average growth rate is applied.

Column 6: Revenue adjustments are annual permanent changes to revenue adopted in the Appropriations Act or other legislation effective in that fiscal year, as determined by the BEA.

Column 7: This column reports the revenue available for appropriation. It is calculated by taking the prior year's revenue available for appropriation and multiplying this times the 10 year growth rate for that year. The revenue is increased or decreased by the revenue adjustments that are effective for that fiscal year. For example, the \$4,374.6 million in revenue available for appropriation for FY 97 is the prior year's \$4,155.1 million multiplied times the 5.646% annual growth from the past 10 years calculated for FY 97 in col. 4. This amount is decreased by \$15.1 million for the tax reductions that took effect in FY 97.

Column 8: This column calculates the amount of money distributed to or withdrawn from the Budget Stabilization Fund. It is the amount of revenue available for appropriation reported in Col. 7, including adjustments, subtracted from the actual revenue collections in Col. 2. For example, the \$213.7 million deposited into the Fund in FY 97 is derived from the actual collections of \$4,588.3 million in Col. 2 less the \$4,374.6 million in revenues available for appropriation in Col. 7.

Column 9: Reports the cumulative net amount of revenue in the Budget Stabilization Fund over time.

Column 10: Reports the cumulative net amount of revenue in the Budget Stabilization Fund over time if the total amount in the Fund were limited to a maximum of 20% of that years actual General Fund revenue collections as reported in Col. 2. For example, in FY 00 the Fund could contain \$1,260 million without any limit. With a 20% limit, the Fund would only total \$1075.9 million and \$184.1 million would be available for appropriation or other uses as mandated by the General Assembly.

Note: The shortfall in the Budget Stabilization Fund in FY 04 and FY 05 in this scenario could be covered by reserve funds or by reducing appropriations. The FY 04 Capital Reserve Fund was \$98.6 million which was used for mid-year budget cuts by the Budget and Control Board. The FY 05 Capital Reserve Fund was \$99.4 million which was appropriated by the General Assembly.

Budget Stabilization Fund 10 Year Scenario Through FY 2006-07 With a 10% Limit on the Fund Balance (3)

(Law passed in 1994, Positive Referendum in Nov. 1994, Ratified in 1995, and First Used for the FY 1996-97 Appropriation Act)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
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86	2,509.3	4.8%								
87	2,692.8	7.3%								
88	2,938.4	9.1%								
89	3,142.5	6.9%								
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98	4,845.7	5.6%	5.474%		(4.8)	4,609.3	236.4	450.1	450.1	-
99	5,268.3	8.7%	5.129%		(60.4)	4,785.3	483.0	933.1	526.8	406.3
00	5,379.6	2.1%	5.303%		13.6	5,052.7	326.9	1,260.0	538.0	315.8
01	5,484.3	1.9%	5.025%		(37.7)	5,268.9	215.4	1,475.4	548.4	204.9
02	5,300.6	-3.3%	5.194%		-	5,542.6	(242.0)	1,233.4	306.4	-
03	5,305.1	0.1%	4.722%		(15.5)	5,788.8	(483.7)	749.7	(177.3)	-
04	5,571.1	5.0%	3.746%		5.4	6,011.0	(439.9)	309.8	(439.9)	-
05	6,005.9	7.8%	3.305%		(58.0)	6,151.7	(145.8)	164.0	(145.8)	-
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07	7,124.8	8.2%	4.246%		(92.1)	6,506.6	618.2	1,039.2	712.5	162.7
08	NA	NA	4.499%		(250.6)	6,548.7				

Column 4: The 10 year average growth for FY 2007-08 is calculated with a 1 year lag, or the growth from FY 1996-97 through FY 2006-07. This is because when the FY 2008-09 budget process begins in the Fall of 2007, the latest completed fiscal year collections available is FY 2006-07.

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Column 8: This column calculates the amount of money distributed to or withdrawn from the Budget Stabilization Fund. It is the amount of revenue available for appropriation reported in Col. 7, including adjustments, subtracted from the actual revenue collections in Col. 2. For example, the \$213.7 million deposited into the Fund in FY 97 is derived from the actual collections of \$4,588.3 million in Col. 2 less the \$4,374.6 million in revenues available for appropriation in Col. 7.

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Column 10: Reports the cumulative net amount of revenue in the Budget Stabilization Fund over time if the total amount in the Fund were limited to a maximum of 20% of that years actual General Fund revenue collections as reported in Col. 2. For example, in FY 00 the Fund could contain \$1,260 million without any limit. With a 20% limit, the Fund would only total \$1075.9 million and \$184.1 million would be available for appropriation or other uses as mandated by the General Assembly.

Note: The shortfall in the Budget Stabilization Fund in FY 03, FY 04, and FY 05 in this scenario could be covered by reserve funds or by reducing appropriations. The FY 03 Capital Reserve Fund was \$101.6 million which was used for mid-year budget cuts by the Budget and Control Board. The FY 04 Capital Reserve Fund was \$98.6 million which was used for mid-year budget cuts by the Budget and Control Board. The FY 05 Capital Reserve Fund was \$99.4 million which was appropriated by the General Assembly.