

Legislative Fiscal Division

Guarantee Account and the General Fund Appropriation of Base Aid

Guarantee account is first source of revenue to pay for Base Aid, it does not appear in HB 2

After guarantee account has been exhausted then Base Aid is paid for with general fund up to the appropriation amount in HB 2

Base Aid Appropriation in HB 2			
	2004	2005	Biennium
Base Aid Required	400	401	801
Guarantee Fund available for Base Aid	45	45	90
General Fund Base Aid Appropriation - HB 2	355	356	711

What happens if revenue available for Base Aid in Guarantee Account falls short of the revenue estimate?

BASE Aid Actual Revenues and Spending			
	2004	2005	Biennium
Base Aid Required	400	401	801
Guarantee Fund available for Base Aid	44	42	86
General fund Base Aid Required - HB 2	356	359	715
Supplemental in Year 2			4

How excess revenues in guarantee account can bail you out.

BASE Aid Actual Revenues and Spending			
	2004	2005	Biennium
Base Aid Required	402	406	808
Guarantee Fund available for Base Aid	47	51	98
General fund Base Aid Required - HB 2	355	355	710
Reversion at end of FY05			-1

If actual revenue is more than anticipated there is a general fund reversion.

Interest and Income revenue in the guarantee fund:

Deposits in February (25%) and in June (75%)

Part of the June Payment is an interest receivable, not cash

Because the cash on this receivable won't be rec'd until October, OPI must take out a loan

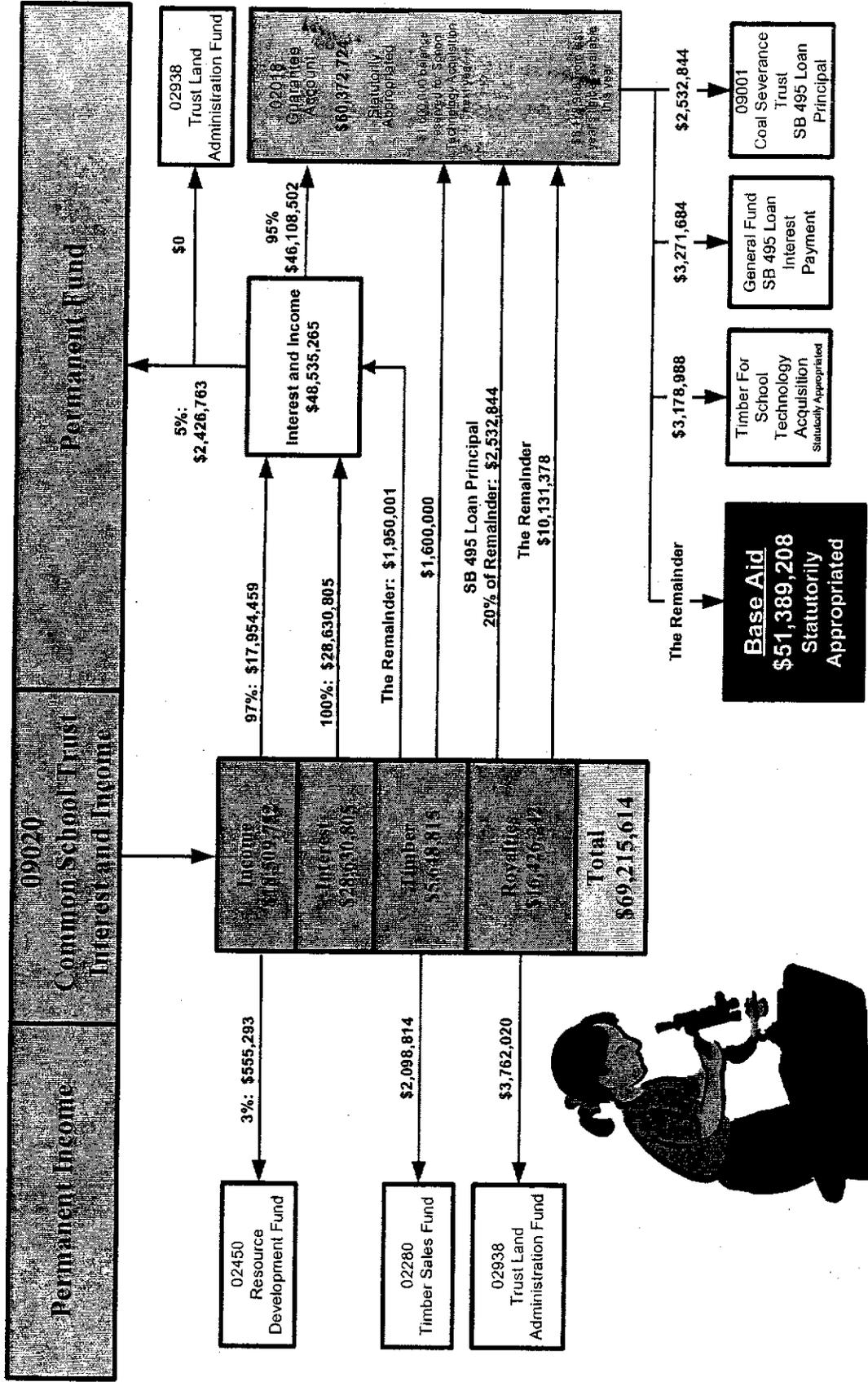
The loan is paid back in Oct when the cash arrives

The total amount available for distribution to BASE Aid available is not known until June.

There is a risk that it will be short, and the appropriation authority in the general fund is already used up

That's why in HB 3 there is language to allow the general fund appropriation to be \$3 million higher in case this situation develops.

Is there a better way to do this?



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