

General Fund Reserves in Title 32

§ 308. General Fund Budget Stabilization Reserve; creation and purpose

Purpose of this section to reduce the effects of annual variations in State revenues upon the General Fund budget of the State by reserving certain surpluses in General Fund revenues that may accrue for the purpose of offsetting deficits. Any budgetary basis undesignated General Fund surplus occurring at the close of a fiscal year shall be reserved within the General Fund Budget Stabilization Reserve, provided that the balance reserved shall not exceed five percent of the appropriations from the General Fund for the prior fiscal year

In any fiscal year if the General Fund is found to have an undesignated fund deficit, the General Fund Budget Stabilization Reserve shall be used by the Commissioner of Finance and Management to the extent necessary to offset the undesignated fund deficit as determined by Generally Accepted Accounting Principles.

§ 308b. Human Services Caseload Reserve

There is created within the General Fund a Human Services Caseload Reserve. Expenditures from the Reserve shall be subject to an appropriation by the General Assembly or approval by the Emergency Board. Expenditures from the Reserve shall be limited to Agency of Human Services caseload-related needs primarily in the Departments for Children and Families, of Health, of Mental Health, of Disabilities, Aging, and Independent Living, of Vermont Health Access, and settlement costs associated with managing the Global Commitment waiver.

The Human Services Caseload Reserve shall contain two sub-accounts:

A sub-account for incurred but not reported Medicaid expenses equal to the amount specified in the most recently completed Comprehensive Annual Financial Report for the estimated amount of incurred but not reported Medicaid expenses associated with the current Medicaid Global Commitment waiver.

A sub-account for Medicaid-related pressures related to caseload, utilization, changes in federal participation in existing human services programs, and settlement costs associated with managing the Global Commitment waiver.

§ 308c. General Fund Balance Reserves aka Rainy Day Fund

There is hereby created within the General Fund a General Fund Balance Reserve, also known as the "Rainy Day Reserve." The General Fund Balance Reserve shall not exceed five percent of the appropriations from the General Fund for the prior fiscal year without legislative authorization.

Of the funds that would otherwise be reserved in the General Fund Balance Reserve under this subsection, 50 percent of any such funds shall be reserved as necessary and transferred from the General Fund to the Vermont State Employees' Postemployment Benefits Trust Fund established by 3 V.S.A. § 479a.

Use of General Fund Balance Reserve aka Rainy Day Fund

The General Assembly may specifically appropriate the use of up to 50 percent of the amounts added in the prior fiscal year from the General Fund Balance Reserve to fund unforeseen or emergency needs.

If the official State revenue estimates of the Emergency Board for the General Fund, determined under section 305a of this title have been reduced by two percent or more from the estimates determined and assumed for purposes of the general appropriations act or budget adjustment act, funds in the General Fund Balance Reserve may be appropriated to compensate for a reduction of revenues.

§ 308e. 27/53 Reserve

There is hereby created within the General Fund the 27/53 Reserve. The purpose of this reserve is to meet the liabilities of the recurring 27th State payroll and the 53rd week of Medicaid payments. These liabilities will be funded by reserving a prorated amount of general funds each year, before the liability comes due.