

FOUNDATION AID STABILIZATION FUND USES - BASED ON CONCURRENT RESOLUTION DRAFT [15.3010.01000]

CONCURRENT RESOLUTION DRAFT [15.3010.01000]

Concurrent resolution draft [15.3010.01000] allows the Legislative Assembly to appropriate or transfer certain funds from the foundation aid stabilization fund for unfunded benefit obligations of state retirement funds, low-interest school construction loans, and other education-related purposes. The amount of funding that may be appropriated or transferred is limited to any balance in the fund that exceeds an amount equal to 15 percent of the general fund appropriations for state school aid during the most recently completed biennium.

For the 2013-15 biennium, the Legislative Assembly appropriated \$1,695,374,000 from the general fund for state school aid payments. Based on this amount, the concurrent resolution draft would require a minimum fund balance of \$254,306,100 to be maintained and would allow the Legislative Assembly to appropriate or transfer any balance in excess of that amount. The schedule below details the minimum fund balance that would be required for the foundation aid stabilization fund based on a minimum balance equal to 15 percent of general fund appropriations for state school aid payments and based on other selected percentages of general fund appropriations for state school aid payments.

Percentage of 2013-15 Biennium General Fund Appropriations for State School Aid Payments	Minimum Fund Balance
5 percent	\$84,768,700
10 percent	\$169,537,400
15 percent	\$254,306,100
20 percent	\$339,074,800
25 percent	\$423,843,500

USE OF FOUNDATION AID STABILIZATION FUND TO OFFSET ALLOTMENTS OF STATE SCHOOL AID

The following schedule details how much funding would be used from the foundation aid stabilization fund and budget stabilization fund to offset a general fund revenue shortfall based on 2013-15 biennium appropriations and the provisions of bill draft [15.0055.02000] which was previously approved by the Government Finance Committee:

Use of Foundation Aid Stabilization Fund and Budget Stabilization Fund to Offset Allotments of State School Aid Payments - Based on Bill Draft [15.0055.02000]			
Allotment/Revenue Shortfall Amount	Budget Stabilization Fund	Foundation Aid Stabilization Fund	Foundation Aid Stabilization Fund - Cumulative Total
First 2.5 percent - Foundation aid stabilization fund		\$42,384,350	\$42,384,350
From 2.5 to 11 percent - Budget stabilization fund ¹	\$144,162,591		\$42,384,350
From 11 to 15 percent - Foundation aid stabilization fund		\$67,814,960	\$110,199,310
From 15 to 20 percent - Foundation aid stabilization fund		\$84,768,700	\$194,968,010
From 20 to 25 percent - Foundation aid stabilization fund		\$84,768,700	\$279,736,710

¹The Legislative Assembly in 2013 House Bill No. 1015 provided \$720 million of general fund appropriations be excluded from the calculation used to determine the maximum balance of the budget stabilization fund. Therefore, the current fund balance of the budget stabilization fund is equal to approximately 8.5 percent of total general fund appropriations for the 2013-15 biennium.