

Legislative Analysis



Budget Stabilization Fund

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Senate Bill [438

Sponsor: Sen. Prusi

Committee: Appropriations

First Analysis: October 12, 2005

THE CONTENT OF THE BILL:

The bill would amend Sec. 353c of the Management and Budget Act to provide for a transfer from the Counter-Cyclical Budget and Economic Stabilization Fund (BSF) to the General Fund of \$81.3 million at the close of fiscal year (FY) 2004-05. This transfer was part of an overall comprehensive proposal adopted by the Legislature in March 2005 to eliminate a projected FY 2004-05 General Fund/General Purpose budget deficit.

FISCAL INFORMATION:

As part of the FY 2003-04 final budget book-closing, \$81.3 million was transferred to the BSF. Senate Bill 438 would transfer this amount to the General Fund. This transfer would leave approximately \$2.4 million of interest earnings in the BSF.

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