

- There is almost \$1 billion in various state funds, not counting the \$625 million in the Tobacco Trust Fund
- Some of these monies may be encumbered or are federal funds but the large portion is cash on hand. But, it is taxpayers' money.
- The Appropriations Committees and both the House and Senate considered and passed a cash management approach to draw down over \$14 million a month from these funds. (HB 1036)
- This approach would not have required draining the Rainy Day Fund which will be needed to offset shortfalls in FY2004. Currently there is \$102 million in Working Cash Stabilization Fund; \$15 million reserved for Ayers Endowment and \$4 million for payments to be reimbursed by feds; thus spending \$80 million takes it down effectively to \$0.
- The new proposal would take only \$6 million in a month.
- State Treasurer Marshall Bennett has worked with and advised the Committee along the way. This cash management approach is very much like what he does all the time, draw from this \$1 billion pool to pay the state's bills. Bennett recommends that the working cash stabilization fund NOT be depleted.
- We need to provide Rica Lewis-Payton assurance that Medicaid will be funded when the legislature commences in 2004.
- *Bond Buyer* article, 4/1/03, one analyst expressed concerns about depleting the rainy day fund which could place pressure on the state's credit rating.