

Miscellaneous

EMERGENCY FUND

	2001-03 Legislatively Adopted	2003-05 Governor's Balanced
General Fund	\$225,860,033	\$83,397,962
Lottery Funds	0	0
Other Funds	0	0
Federal Funds	0	0
Other Funds (Nonlimited)	0	0
Federal Funds (Nonlimited)	0	0
Total Funds	\$225,860,033	\$83,397,962
Positions	0	0
Full-time Equivalent	0.00	0.00

Overview

The Emergency Board acts to meet emergency needs when the Legislature is not in session. It can allocate money from the Emergency Fund to state agencies. It can also take other action on agency budget requests. The Governor's balanced budget provides a total of \$83,397,962 for the Emergency Fund. The two components of this are described below.

It should be noted that no funds have been proposed at this time for cost-of-living, step, or health benefit increases for state and school employees. If actions can be taken to keep employer rates for Public Employees Retirement System at the 2001-03 level, the Governor would consider proposing that some of the General Fund savings be used for negotiations with the Home Health Care Workers and for state and school employee health benefit costs.

General Purpose

The Governor's balanced budget purposes \$48,397,962 for the General Purpose Emergency Fund. The Emergency Board can use this for any purpose during the biennium.

A larger than normal General Purpose Emergency Fund is proposed for the Governor's budget due to the risk of unintended consequences associated with significant program reductions necessary to live within the available resources. Items that would be appropriate for consideration for General Purpose Emergency Fund include situations where the state must deal with unforeseen but critical safety net needs, program levels or financing options that are being proposed become unachievable, or where additional investment is determined to be critical to an agency or service.

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Special Purpose Appropriation

The balanced budget puts \$35,000,000 in the Emergency Fund for indigent defense issues. For a significant indigent defense reduction, the only alternative would be to prosecute a lesser number of cases, lowering the corresponding workload within the Indigent Defense Services Division. While it is difficult to estimate the systemic effect of statewide reduction in service levels on the demand for indigent defense services, the restoration of \$35,000,000 should put the Indigent Defense Services Account in line with current service levels, given some assumed reduction in caseload through system wide changes.