

2017

Idaho Legislative Services Office



Joint Finance- Appropriations Committee

General Fund Budget Update Supplemental Handout

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Paul Headlee
Division Manager
Budget & Policy Analysis

FALL INTERIM MEETING



(208) 334-3531

Legislative Services Budget & Policy Analysis

September 2017

General Fund revenue collections through the first quarter of FY 2017 are \$29.4 million above the DFM revised August forecast (line 16). September's collections were \$11.3 million more than anticipated, which added to the \$18.1 million ahead of the forecast from the first two months of the year. The current estimated ending balance is \$211.5 million (line 22) which is \$147.7 million more than when original appropriations were set. There is potential for this ending balance to be reduced by a number of mid-year budget adjustments including \$27.7 million for the S1206 surplus eliminator, and deficiency warrants and supplemental requests total \$29.5 million. The bulk of these requests are from Health & Welfare (\$23.2 million), and Department of Corrections (\$5.9 million). Ultimately, the Legislature will choose which of these to fund in January.

To date, General Fund collections are up \$68.6 million, or 8.2% from last year. Four categories grew over last year: individual income taxes (\$30.6 million), sales taxes (\$28.4 million), product taxes (\$0.3 million), and miscellaneous revenues (\$13.4 million), while corporate income taxes are \$4.1 million less than last year (page 2, line 24).

FISCAL YEAR 2017

	<u>At Sine Die, Mar 29, 2017</u>	<u>Update</u>	<u>Diff.</u>
1. TOTAL REVENUE & BEGINNING BALANCE	3,470.3	3,525.0	54.7
2. FY 2017 NET TRANSFERS IN (OUT)	(119.1)	(155.5)	(36.4)
3. FY 2017 TOTAL EXPENDITURES	3,277.8	3,262.7	(15.1)
4. FY 2017 ENDING BALANCE Lines 3+4-5	73.4	106.8	33.4
5. Carryover	0	(5.9)	(5.9)
6. S1206 Adjusted Ending Balance	\$73.4	\$100.9	\$27.5

FISCAL YEAR 2018

REVENUES

7. Beginning Balance	73.4	100.9	27.5
8. After Year-End Reversion (Health & Welfare)	0	2.6	2.6
9. Adjusted Beginning Balance	\$73.4	\$103.5	\$30.1
10. DFM Orig 4.6% / Revised 3.8% over FY 2017 Actual	3,507.4	3,579.3	71.9
11. H31 Circuit Breaker, Taxable Income, Roth IRA	(.0)	0	.0
12. H32 Sales Tax Exemption, Use Nonresident Vehicles	(.0)	0	.0
13. H54 Business Filing Fees	(.0)	0	.0
14. H185 Increase Credit for College Savings Program	(1.1)	0	1.1
15. S1206 Sales Tax for Roads, Congestion Mitigation Fund	(15.2)	0	15.2
16. Ahead (Behind) Forecast	0	29.4	29.4
17. Total Revenues	\$3,491.1	\$3,608.7	\$117.6
18. TOTAL REVENUES & BEGINNING BALANCE	\$3,564.5	\$3,712.2	\$147.7

TRANSFERS

19. 2017 Transfers (H291, S1129, S1177, S1194)	(50.2)	(50.2)	0
20. NET TRANSFERS IN (OUT)	(\$50.2)	(\$50.2)	\$0

APPROPRIATIONS

21. FY 2018 Original Appropriations	3,450.6	3,450.6	0
22. ESTIMATED ENDING BALANCE Line 18+20-21	\$63.8	\$211.5	\$147.7

FISCAL YEAR 2018 BUDGET UPDATE AS OF 10-10-2017

All numbers in \$ millions

	<u>Updated with FY 2018 Requested Adjustments and Sept. Revenue</u>	<u>Diff.</u>
<u>FY 2018 REVENUES</u>		
1. Beginning Balance	100.9	0
2. After Year-End Reversion (Health & Welfare)	2.6	0
3. Adjusted Beginning Balance from FY 2017	103.5	0
4. DFM August Revised 3.8% plus ahead/behind	3,608.7	29.4
Carryover from FY 2017	5.9	0
5. Transfers - 2017 Session (H291, S1129, S1177, S1194)	(50.2)	0
6. Transfer - Deficiency Warrants for Pest Control	(.2)	(.2)
7. Transfer - Statutory Budget Stabilization Fund	(22.3)	(22.3)
8. Transfer - Surplus Eliminator (50% BSF, 50% SIP)	(7.1)	(7.1)
9. Transfer - S1206 to Strategic Initiatives Program (SIP)	(27.7)	(27.7)
10. Total Revenues	3,507.1	(27.9)
11. TOTAL REVENUE & BEGIN. BALANCE (line 3 + 10)	3,610.6	(27.9)
<u>FY 2018 APPROPRIATIONS</u>		
12. FY 2018 Original Appropriations at Sine Die	3,450.6	
13. Carryover from FY 2017	5.9	0
14. Supplemental Appropriation Requests	29.3	29.3
15. FY 2018 Estimated Total Appropriations	3,485.8	29.3
16. ESTIMATED ENDING BALANCE (Line 11-15)	124.8	

Assumptions: 1. FY 2018 revenue growth is 4.65% over FY 2017 actuals (3.8% plus \$29.4 million ahead of forecast), 2. Transfers for deficiency warrants, Budget Stabilization Fund, surplus eliminator, and Strategic Initiatives Program are approved, 3. All supplemental appropriations as requested are approved, and 4. revenue ahead of forecast is not "recognized" during the 2018 session.

Note: S1041 of 2017 added Section 33-1018C, Idaho Code, which requires the Joint Finance Appropriations Committee to consider a transfer into the Public Education Stabilization Fund (PESF) in the same amount as the current year withdrawal from that same fund. The withdrawal from PESF in July 2017 was \$20.6 million.

FY 2019 GENERAL FUND STATE AGENCY BUDGET REQUEST AS OF 10-10-2017

All numbers in \$ millions

Hypothetical Scenario

	Hypothetical 4.61% Revenue Estimate (20-year avg.)	Percent Diff. from FY 2018 Gen. Fund Orig. Approp of \$3,450.6B
<u>FY 2019 REVENUES</u>		
1. Estimated Onetime Beginning Balance from FY 2018	124.8	
2. 4.61% over FY 2018 Revised 3.8%, plus ahead/behind	3,775.0	
3. Transfer Requests (Controller, Dept. Comm., Wolf Control)	(103.4)	3.0%
4. TOTAL AVAILABLE REVENUE	<u>3,796.4</u>	
<u>FY 2019 APPROPRIATIONS</u>		
5. FY 2019 BASE (\$17.3M less than FY 2018 Orig. Approp.)	3,433.3	-0.5%
6. TOTAL MAINTENANCE	137.8	4.0%
Line Items by Functional Area (Net Cash Transfers)		
7. Education	77.8	
8. Health and Human Services	38.9	
9. Public Safety	30.3	
10. Natural Resources	1.4	
11. Economic Development	4.5	
12. General Government	11.4	
13. Total Line Items	<u>164.3</u>	4.8%
14. FY 2019 Orig. Appropriation Request (lines 5+6+13)	3,735.4	8.3%
15. ESTIMATED ENDING BALANCE (line 4 - 14)	\$61.0	
16. % Above FY 2018 Orig. Appropriation (Cash Transfers plus Approp). (lines 3+14)		11.3%

Assumptions: 1. Revenue is 4.61% over the FY 2018 estimated actual collections, 2. The \$103.4M of transfers on line 3 are approved, and the 8.3% FY 2019 budget request as of 10-10-2017 is approved.

Note: Because the revenue estimate on line 2 exceeds the FY 2018 estimated revenue collections by 0.61%, a \$22.0 million statutory transfer to the Budget Stabilization Fund would be required in the following year (FY 2020). Therefore, the estimated ending balance on line 15 to be carried forward into FY 2020 would include sufficient funding for that transfer.

FY 2019 State Agency Request by Decision Unit

Decision Unit	FTP	Gen	Ded	Fed	Total		
FY 2018 Original Appropriation	19,301.16	3,450,575,300	1,729,923,400	2,726,699,500	7,907,198,200		
Reappropriation	0.00	5,896,100	460,411,400	150,375,000	616,682,500		
Supplementals	3.00	29,340,700	28,438,900	68,457,800	126,237,400		
Deficiency Warrants	0.00	209,800	0	0	209,800		
Cash Transfers & Adjustments	0.00	(209,800)	0	0	(209,800)		
FY 2018 Total Appropriation	19,304.16	3,485,812,100	2,218,773,700	2,945,532,300	8,650,118,100		
Noncognizable Funds and Transfers	119.05	0	(355,700)	2,887,600	2,531,900		
Expenditure Adjustments	0.00	0	(2,657,500)	0	(2,657,500)		
FY 2018 Estimated Expenditures	19,423.21	3,485,812,100	2,215,760,500	2,948,419,900	8,649,992,500		
Removal of Onetime Expenditures	(6.00)	(44,458,700)	(661,821,200)	(250,613,300)	(956,893,200)		
Base Adjustments	6.57	(8,045,100)	(1,910,100)	(11,007,900)	(20,963,100)		
FY 2019 Base	19,423.78	3,433,308,300	1,552,029,200	2,686,798,700	7,672,136,200		
Benefit Costs	0.00	(9,383,100)	(10,814,000)	(4,712,700)	(24,909,800)		
Inflationary Adjustments	0.00	1,900,100	1,932,000	24,900	3,857,000		
Replacement Items	0.00	26,805,800	48,853,400	4,506,900	80,166,100		
Annualizations	0.00	6,037,700	109,900	12,022,500	18,170,100		
Change in Employee Compensation	0.00	6,632,700	4,937,800	2,237,100	13,807,600		
Public Schools Admin/Classified CEC	0.00	2,346,400	0	0	2,346,400		
Military Compensation	0.00	64,000	42,400	207,400	313,800		
Nondiscretionary Adjustments	0.00	107,153,200	(910,000)	101,017,500	207,260,700		
Endowment Adjustments	0.00	(3,794,000)	4,311,100	0	517,100		
FY 2019 Program Maintenance	19,423.78	3,571,071,100	1,600,491,800	2,802,102,300	7,973,665,200		
Line Items by Functional Area							
Education	110.14	77,830,900	39,500	1,024,000	78,894,400		
Health and Human Services	27.33	38,898,200	364,800	83,004,100	122,267,100		
Public Safety	70.00	30,255,800	4,189,000	(224,500)	34,220,300		
Natural Resources	17.00	1,420,300	18,395,400	1,951,800	21,767,500		
Economic Development	28.25	5,548,400	51,850,200	901,200	58,299,800		
General Government	91.37	113,772,700	2,648,300	36,013,500	152,434,500		
Cash Transfers	0.00	(103,400,000)	(2,216,000)	0	(105,616,000)		
FY 2019 Total	19,767.87	3,735,397,400	1,675,763,000	2,924,772,400	8,335,932,800		
Percent Change from Orig. Appropriation	2.4%	8.3%	(3.1%)	7.3%	5.4%		
Percent Change from Total Appropriation	2.4%	7.2%	(24.5%)	(0.7%)	(3.6%)		
FY 2019 Total Request							
	FTP	Pers Costs	Oper Exp	Cap Out	T/B Pymts	Lump Sum	Total
General	9,464.45	857,134,800	259,541,100	10,314,300	766,462,700	1,784,948,800	3,678,401,700
OT	0.00	319,900	20,614,500	32,936,300	3,000,000	125,000	56,995,700
Fund Total:	9,464.45	857,454,700	280,155,600	43,250,600	769,462,700	1,785,073,800	3,735,397,400
Dedicated	8,296.20	583,013,500	391,007,200	157,035,200	366,076,800	90,709,700	1,587,842,400
OT	0.00	17,800	8,636,200	78,166,600	1,100,000	0	87,920,600
Fund Total:	8,296.20	583,031,300	399,643,400	235,201,800	367,176,800	90,709,700	1,675,763,000
Federal	2,000.22	270,109,700	225,393,800	254,356,400	1,851,751,800	264,115,000	2,865,726,700
OT	7.00	401,900	22,068,900	36,524,900	50,000	0	59,045,700
Fund Total:	2,007.22	270,511,600	247,462,700	290,881,300	1,851,801,800	264,115,000	2,924,772,400
Total:	19,767.87	1,710,997,600	927,261,700	569,333,700	2,988,441,300	2,139,898,500	8,335,932,800