ISSUE BRIEF

State General Fund Budget Situation

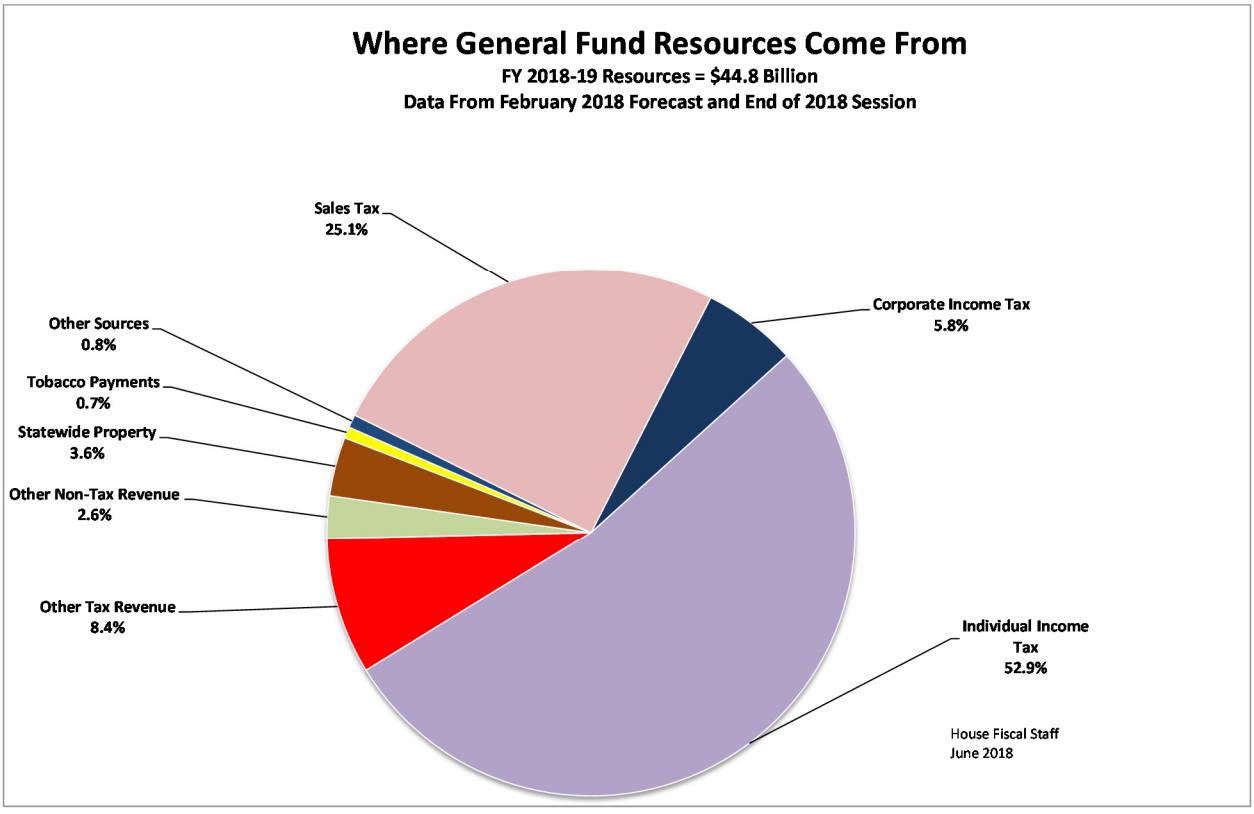
August 2018

In 2017, the Legislature adopted and the Governor signed legislation to enact a budget for fiscal years 2018 and 2019. The 2018 Legislature made some adjustments to that budget.

The Current Biennium – FY 2018-19

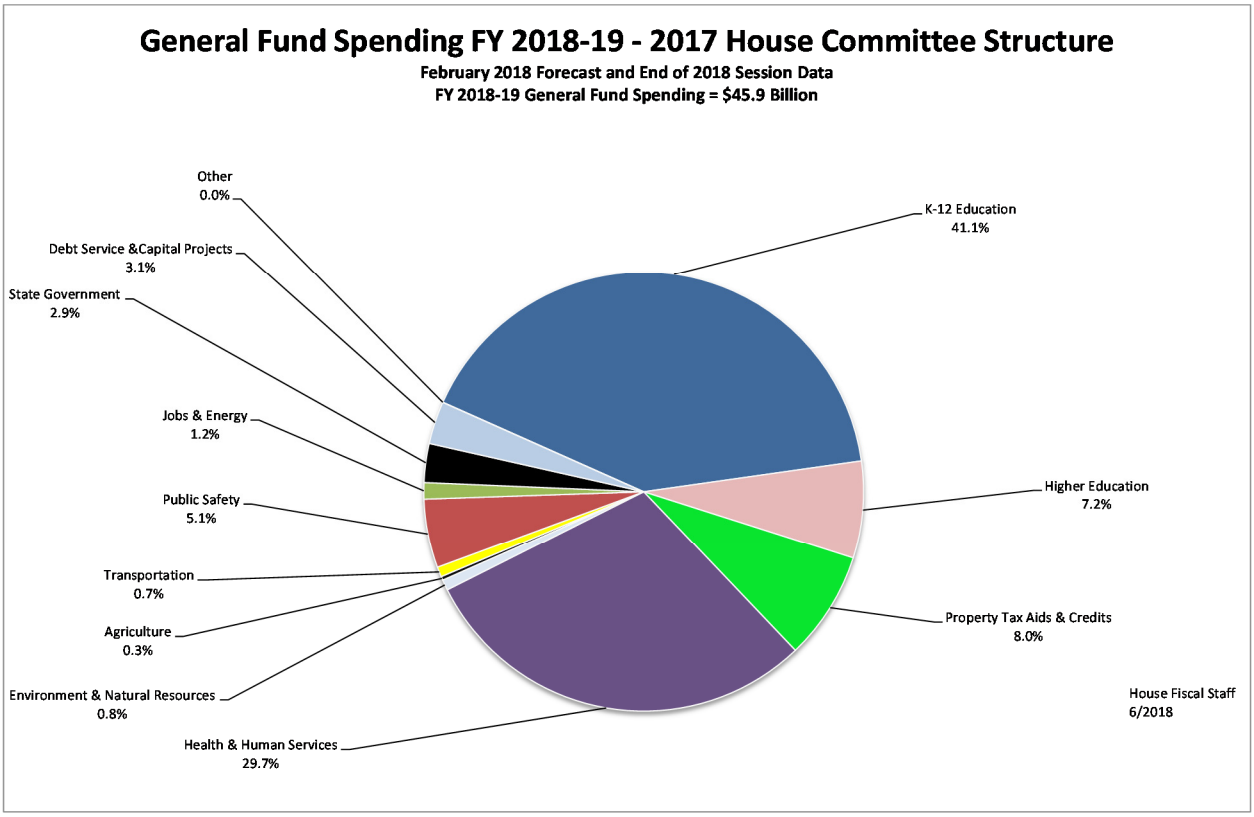
The general fund budget for fiscal years (FY) 2018-19 (the two fiscal years that make up the biennium that began July 1, 2017 and ends June 30, 2019), anticipates $44.8 billion in revenues and $45.6 billion of spending. A balance of $1.35 billion was carried forward into this biennium from the FY 2016-17 biennium.

Major general fund revenue sources are illustrated in the graph below:



The budget reserve is at $1.583 billion and the cash flow account is at $350 million. A general fund budget balance of $288 million is projected for the end of the current FY 2018-19 biennium.

Major categories of general fund spending for the FY 2018-19 biennium are illustrated below:



The FY 2018-19 Budget

The state budget forecast released at the end of February 2018 projected a $329.3 million general fund budget balance for the FY 2018-19 biennium.

No changes were enacted in state general fund revenue during the 2018 legislative session. $25 million was transferred from the budget reserve to the general fund for school safety projects.

General fund revenue of $44.8 billion for the FY 2018-19 biennium is $2.3 billion or 5.2 percent higher than it was in the FY 2016-17 biennium.

General fund spending for the FY 2018-19 was increased by $66 million or 0.01 percent over the FY 2018-19 spending at the beginning of the 2018 legislative session. The significant increases were $27 million related to pension changes and $41 million for capital projects and debt service.

General fund spending of $45.9 billion in FY 2018-19 is $4.6 billion or 11.2 percent higher than spending in the FY 2016-17 biennium.

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