

Budget Solutions -General Fund

Budget Problems are those identified in the February forecast or a November forecast to the extent that November forecast problem was resolved (2003 for FY 2003).

Numbers shown are those used at the time the budget was resolved.

Column 1 - Session Year and biennium being considered.

Column 2 - Balance forecasted in that Session year's Feb. forecast for the upcoming biennium (odd numbered year) or current biennium (even numbered year), (a negative number indicates a projected negative balance, a positive number indicates a positive balance.)

Column 3 - Enacted reductions in spending (a negative number in this column indicates a reduction in spending, a positive number indicates an increase in spending).

Column 4 - Enacted changes in revenue (a negative number in this column indicates a decrease in revenue, a positive number indicates an increase in revenue).

Column 5 - Enacted changes in tax revenue (a negative number in this column indicates a decrease in revenue, a positive number indicates an increase in revenue).

Column 6 - Enacted shifts (delays) in education aid payments or property tax recognition - this results in state spending reductions. Some non-education shifts or payment delays are also included in this column.

Column 7 - Transfers to the general fund from other funds.

Column 8 - Federal budget stabilization funds (ARRA) - these funds allowed state general fund spending to be reduced.

Column 9 - Use of the Budget Reserve or Cash Flow Account.

Column 10 - Tobacco securitization bonds, the proceeds of which allowed general fund spending to be reduced.

Column 11 - Bonding for Capital Projects that had previously been paid for with cash (general fund appropriation).

Column 12 - Unallotments.

Column 13 - Sum of the budget solutions for that year - Columns 3-12.

Column 1 <u>Session/Biennium</u>	Col 2 <u>Problem</u>	Col 3 <u>Reductions</u>	Col 4 <u>Rev-Nontax</u>	Col 5 <u>Rev - Tax</u>	Col 6 <u>Shifts</u>	Col 7 <u>Transfers</u>	Col 8 <u>ARRA</u>	Col 9 <u>Reserves</u>	Col 10 <u>Bonds</u>	Col 11 <u>Bond/Capital</u>	Col 12 <u>Unallot</u>	Col 13=Sum <u>of Col 3-12</u>	Col 13 - <u>Col 2</u>
2001 for FY 2002-03	1,561	641	539	115				31				1,326 (a)	235
2002 for FY 2002-03	-2,290	-487	0	0	-509	-531		-1,003		-75		-2,605 (b)	315
2003 for FY 2003	-356										-356	-356 (d)	0
2003 for FY 2004-05	-4,229	-2,256	-523	136.5	-723	-1,394		530				-4,229 (e)	0
2004 for FY 2004-05	-160	-55	5			-110						-160 (f)	0
2005 for FY 2005	0												(g)
2005 for FY 2006-07	-466	397	-608	-240		-27						-478 (h)	12
2006 for FY 2006-07	88	217	2	76		-207						88 (i)	0
2007 for FY 2007													(j)
2007 for FY 2008-09	2,163	1,924	-134	0								1,790 (k)	373
2008 for FY 2008-09	-935	-126	-162	-31		-122		-500				-941 (m)	6
2009 for FY 2009	-426							-155			-271	-426 (n)	0
2009 for FY 2010-11	-4,570	-899	-132	-22	-601	-72	-786					-2,512 (o)	-2,058
2010 for FY 2010-11	-3,425	-790	-40	-149	-2,002	-452						-3,433 (p)	8
2011 for FY 2011													(q)
2011 for FY 2012-13	-5,028	-1,712	-150	32	-2,293	-100		-180	-640			-5,043 (r)	15
2012 for FY 2012-13	0	13	-75	0.3				34				-26 (s)	26
Totals (Net)	-18,073	-3,132	-1,277	-83	-6,128	-3,015	-786	-1,243	-640	-75	-627	-17,005	

- (a) The revenue changes in 2001 of \$654 million include all tax changes, a balance of \$235 million remained after the session.
- (b) The changes in the 2002 session left a \$315 positive balance. \$25.5 million of shifts is June accelerated sales tax.
- (d) The unallotment first used \$23.9 million in the budget reserve, delayed \$50 million in sales tax refunds and made \$281.64 in cuts.
- (e) The 2003 solution included restoring the budget reserve to \$530 million and offsetting a \$12 million FY 2003 shortfall. Transfers included a \$1.029 billion transfer to the general fund from the tobacco endowments and \$192 million from the health care access fund.
- (f) All actions in 2004 were by Governor's directive. The legislature did enact budget changes. Unallotment was not used.
- (g) In Feb. 2005, a balance of \$175 million was projected. \$25 million was allocated to the budget reserve, \$150 million was appropriated to reduce the education aid payment shift.
- (h) The \$608 million of non-tax revenue includes \$401 from a health impact fee (tobacco fee) that is technically a transfer from the health impact fund to the general fund.
- (i) In Feb. 2006 the budget balance was \$181 million but \$93 million was appropriated for education shift reduction. \$207 million was transferred into the general fund from a tax relief account.
- (j) In Feb. 2007 the forecast projected a \$1.013 billion balance for the current biennium (FY 2007). That balance would carry forward into FY 2008-09 to reduce the FY 2008-09 deficit.
- (k) After vetoes, the general fund had a balance of \$373 million. Spending increased \$1.924 billion.
- (m) Budget actions in 2008 resulted in a projected balance of \$6 million.
- (n) The \$426 million problem was resolved through unallotment. Unallotment first used \$155 million in the budget reserve, then appropriation reductions.
- (o) In 2009 the Governor unallotted substantial amounts from the FY 2010-11 budget. One of those unallotments was voided by court action. The remaining unallotments were voided in 2010 1st Special Session Laws, Chapter 1, Article 1, Section 2. Many of the proposals in the unallotment were enacted in law in 2010. Numbers for 2009 do not show the proposed unallotment.
- (p) The budget problem in the Feb 2010 forecast was \$994 million. In May 2012 a court invalidated a Governor's 2009 unallotment. If all the unallotments were invalid, the budget problem increased by \$2.33 billion to \$3.435 billion. Most unallotments were enacted by legislative action in 2010. A \$6 million balance resulted from all the actions.
- (q) In Feb. 2011 the budget balance was \$633 million. That balance carried forward to reduce the projected deficit for FY 2012-13.
- (r) The 2011 special session budget solution included issuing tobacco securitization bonds that replaced \$640 million of general fund debt service spending
- (s) In Feb. 2012 the budget balance was \$393 million. Under current law, \$5 million was appropriated to the budget reserve and the remainder for education shift reduction so no balance (positive or negative) remained. Several budget actions did occur in the 2012 session - including a revenue increase of \$35.2 million in revenue from charitable gaming and \$34.3 million deposited in a stadium reserve.