

# **History of Budget Reserve and Cash Flow Account**

1987 - Current Projection (Nov 21)

Based on data from MMB

(\$ in thousands)

Fiscal Year	Reserve Totals by FY			General Fund	Percent of Totals		Volatility Report Recommendations		
	Cash Flow (1)	Budget Reserve	Total Reserves	Non-Dedicated Revenues	BR as % of Biennial Rev	Cash & Reserve as % of Biennial Rev	BR Volatility Report Recommendation	Amt Needed To Meet BR Rec	Actual BR Diff from Volatility Report Rec
1987	250,000		250,000	5,113,213					
1988	250,000		250,000	5,696,900	n/a	2.2%			
1989	500,000		500,000	5,758,386					
1990	550,000		550,000	6,284,338	n/a	4.3%			
1991	400,000		400,000	6,516,880					
1992	400,000		400,000	6,975,755	n/a	2.7%			
1993	360,000		360,000	7,620,430					
1994	500,000		500,000	8,030,149	n/a	3.0%			
1995	500,000		500,000	8,544,768					
1996	350,000	220,000	570,000	8,987,504	n/a	3.0%			
1997	350,000	233,500	583,500	9,838,184					
1998	350,000	513,200	863,200	10,258,408	2.5%	4.3%			
1999	350,000	622,000	972,000	9,867,300					
2000	350,000	622,000	972,000	11,258,194	2.7%	4.2%			
2001	350,000	622,000	972,000	11,682,355					
2002	-	-	-	12,177,350	0.0%	0.0%			
2003	-	103,677	103,677	12,574,777					
2004	-	403,677	403,677	13,295,489	1.5%	1.5%			
2005	350,000	653,000	1,003,000	14,250,128					
2006	350,000	653,000	1,003,000	15,510,353	2.1%	3.2%			
2007	350,000	653,000	1,003,000	15,908,416					
2008	350,000	654,922	1,004,922	16,236,155	2.1%	3.2%			
2009	350,000	-	350,000	14,812,504					
2010	266,000	-	266,000	14,171,460	0.0%	0.9%			
2011	266,000	8,665	274,665	15,662,751					
2012	350,000	657,618	1,007,618	16,425,815	1.9%	2.9%			
2013	350,000	656,471	1,006,471	17,945,487					
2014	350,000	660,992	1,010,992	19,275,145	1.7%	3.4%	4.9%	1,915,086	(1,254,094)
2015	350,000	994,339	1,344,339	19,808,246			5.1%	1,993,253	(998,914)
2016	350,000	1,596,522	1,946,522	20,889,760	3.8%	4.7%	4.8%	2,013,187	(416,665)
2017	350,000	1,603,443	1,953,443	21,051,646			4.9%	2,055,129	(451,686)
2018	350,000	1,698,247	2,048,247	22,061,705	3.8%	5.4%	4.9%	2,196,104	(497,857)
2019	350,000	2,074,733	2,424,733	22,756,744			5.0%	2,240,922	(166,189)
2020	350,000	2,358,698	2,708,698	22,894,322	4.8%	5.6%	4.9%	2,424,355	(65,657)
2021	350,000	2,406,352	2,756,352	26,582,307			4.8%	2,374,878	(381,474)
2022, Nov '21	350,000	2,655,745	3,005,745	26,588,487	4.8%	5.5%	4.8%	2,638,537	(8) (9) 17,208
2023, Nov '21	350,000	2,655,745	3,005,745	28,381,031			4.8%	2,638,537	17,208
2024, Nov '21	350,000	2,655,745	3,005,745	29,270,360	4.5%	5.1%	4.8%	2,849,367	(193,622)
2025, Nov '21	350,000	2,655,745	3,005,745	30,091,444			4.8%	2,849,367	(193,622)

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(1) Between 1985 and 1995, the budget reserve and cash flow accounts were in a single account in the General Fund which the commissioner used for both budget reserve and cash flow purposes. In Laws 1995, 1st Spec Session, Ch. 3, the budget reserve and cash flow accounts were separated and a balance for each was established. This chart presents balances prior to 1996 entirely in the cash flow account.

(2) The budget reserve report was shifted from January to September in calendar year 2015.

(3) In Sept 2017, MMB recommended a reserve of 4.8% of Non-dedicated GF revenues

(4) In Sept 2018, MMB recommended a reserve of 4.8% of Non-dedicated GF revenues

(5) In Sept 2019, MMB recommended a reserve of 4.9% of Non-dedicated GF revenues. This percentage is used for FY 2020-2023

(6) In Sept 2020, MMB recommended a reserve of 4.8% of Non-dedicated GF revenues. This percentage is used for FY 2021-25.

(7) The assigned risk excess balance added \$29 million to the budget reserve in the summer of 2021.

(8) The budget reserve was reduced by \$591.4 million on July 1, 2021 reflecting laws enacted during the 2019 and 2021 legislative sessions to balance the state General Fund.

(9) The November 2021 forecast increased the budget reserve by \$869.8 million. This increase reflects a higher minimum budget reserve (\$2.377 billion) enacted in the 2021 session.

The addition in the forecast also adds 33 percent of the state's November budgetary balance until the reserve reaches 4.8% of non-dedicated GF revenues.