



ISSUE BRIEF

State General Fund Budget Situation
August 2017

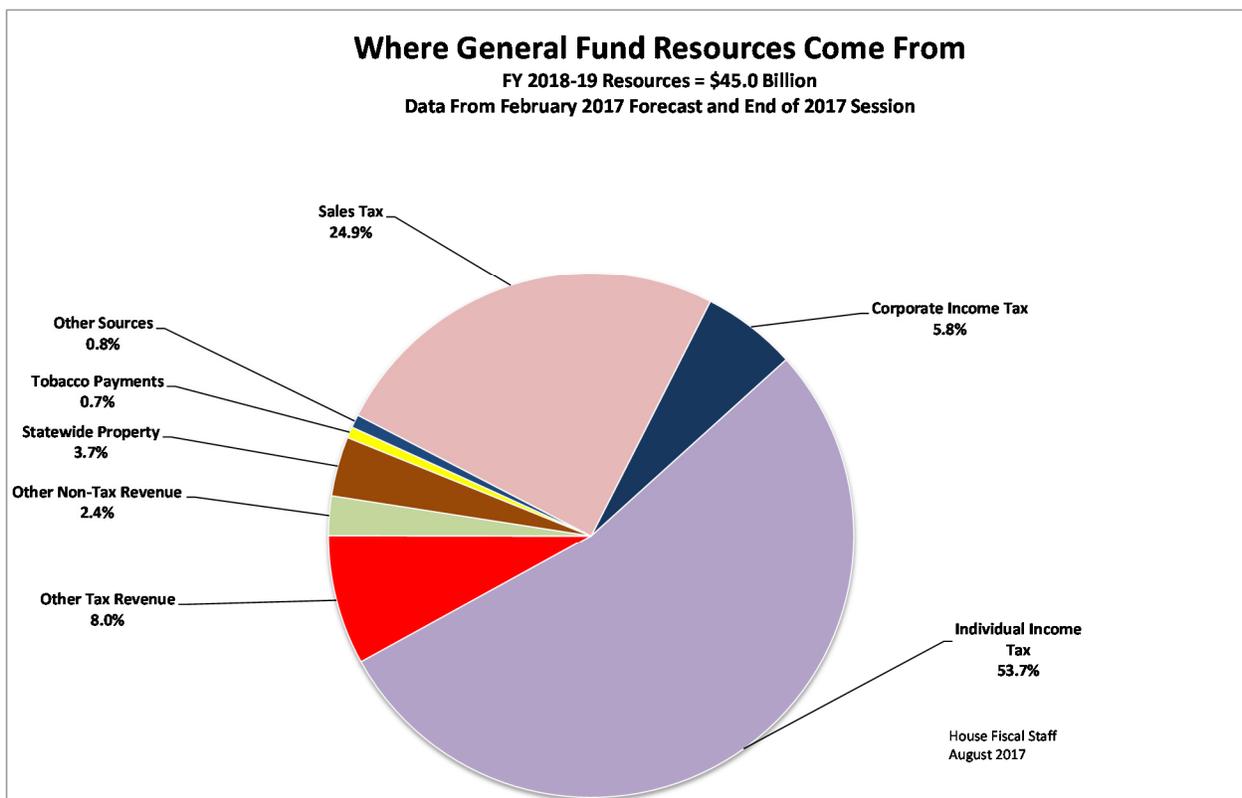
In May 2017, the Legislature adopted and the Governor signed legislation to enact a budget for fiscal years 2018 and 2019.

The Current Biennium – FY 2018-19

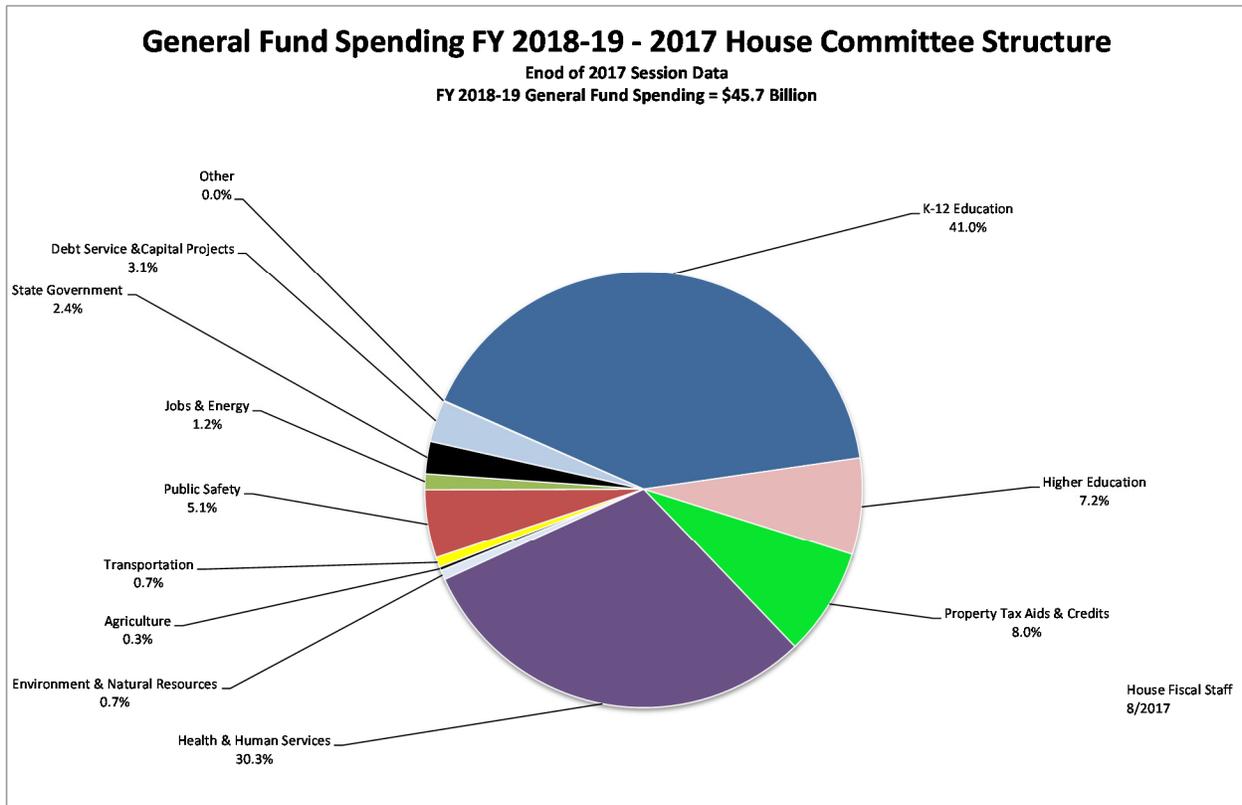
The general fund budget for fiscal years (FY) 2018-19 (the two fiscal years that make up the biennium that began July 1, 2017 and ends June 30, 2019), anticipates \$45.0 billion in revenues and \$45.7 billion of spending. A balance of \$730 million was carried forward into FY 2018-19 from the FY 2016-17 biennium.

The budget reserve is at \$1.6 billion and the cash flow account is at \$350 million. A budget balance of \$50 million is projected for the end of the current FY 2018-19 biennium.

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



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 in February 2017 projected a \$1.651 billion general fund budget balance for the FY 2018-19 biennium. That balance included \$744 million from FY 2016-17.

The 2017 Legislature decreased general fund revenue for the FY 2018-19 biennium by \$657 million or 1.4 percent less than what it would have been in FY 2018-19 in current law. Most of this revenue change was in reductions in certain sales and income taxes.

General fund revenue of \$45.0 billion for the FY 2018-19 biennium is \$2.571 billion or 6.1 percent higher than it was in the FY 2016-17 biennium.

General fund spending for the FY 2018-19 was increased by \$929 million or 2.1 percent over the base level. The largest increase is \$486 million in elementary and secondary education.

General fund spending of \$45.7 billion in FY 2018-19 is \$3.840 billion or 9.2 percent higher than spending in the FY 2016-17 biennium.

The general fund makes up about half of the state's operating budget. Other spending includes federal fund, trunk highway and other transportation funds, and the game and fish fund.

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