



The General Fund Budget Monitor is a monthly publication released by this office. It tracks monthly General Fund revenues compared to the Division of Financial Management’s (DFM) revenue forecast. From that information, it provides an estimated ending balance based on current conditions. It also compares the General Fund budget set last March to the updated revenue information and any other changing conditions in the budget. The publication is one way to measure whether the state is on track for a balanced budget. In this month’s report, General Fund revenue collections for the month of November exceeded the monthly forecasts by \$44.5 million. This increased the amount on line 6 for the first five months of the fiscal year to \$168.3 million above the forecast on line 5. If nothing changes in the budget, and revenue meets the forecast for the remainder of the year, the state would have an ending balance of \$602.8 million (line 15).

To date, year-over-year revenue collections are up \$251.2 million or 16.6% compared to last year at this time. Of this amount, individual income tax collections are up \$161.5 million, sales tax collections are up \$87.4 million, corporate income tax collections are up \$14.8 million, while product taxes are essentially on forecast. Only miscellaneous revenues are \$15.8 million below last year at this point (page 2, line 24).

Next month’s Budget Monitor will incorporate the DFM final revision to the FY 2021 General Fund revenue forecast and will replace the number shown on line 5 in the Update column. Additionally, the Legislature will begin its work finalizing the FY 2021 budget by considering supplemental appropriation requests. For additional detail regarding General Fund revenue performance versus the current forecast, please see DFM’s website here: <https://dfm.idaho.gov/publications/eab/>

You can find additional budget information, including previous Budget Monitor reports, on our website: <https://legislature.idaho.gov/iso/bpa/>

FISCAL YEAR 2021 (\$ in Millions)

<u>REVENUES</u>	<u>At SINE DIE, March 19, 2020</u>	<u>Update</u>	<u>Difference</u>
1. Estimated Beginning Balance	55.6	186.3	130.7
2. Reserved for Carryover	0	.4	.4
3. After Year-End Reversion (Health & Welfare)	0	60.3	60.3
4. Adjusted Beginning Balance	\$55.6	\$247.0	\$191.3
5. JFAC Revenue / DFM Revised Forecast (2.0% over FY20)	4,117.9	4,111.3	(6.5)
6. Ahead (Behind) Forecast	0	168.3	168.3
7. Sub-Total Revenues	\$4,117.9	\$4,279.6	\$161.8
8. Transfers In (Out)	(\$56.5)	(\$56.5)	0
9. NET REVENUES (Line 4+7+8)	\$4,117.0	\$4,470.1	\$353.1
<u>APPROPRIATIONS</u>			
10. FY 2021 Original Appropriations (3.9% over FY 2020)	4,062.1	4,062.1	0
11. Authorized Reappropriation	0	.4	.4
12. State Agencies (Holdback Exec. Order 2020-14)	0	(96.5)	(96.5)
13. Public Schools (Board of Examiners/Exec. Order 2020-14)	0	(98.7)	(98.7)
14. FY 2021 Total Appropriations	\$4,062.1	\$3,867.3	(\$194.8)
15. ESTIMATED ENDING CASH BALANCE (Line 9-14)	\$54.9	\$602.8	\$547.9

ECONOMIC OUTLOOK AND REVENUE ASSESSMENT COMMITTEE

FUND BALANCE UPDATE

Staff: Paul Headlee, Manager, LSO, Budget & Policy Analysis Division

Date: January 7, 2021

Subject: Budget Stabilization Fund and Other Fund Balances as of January 6, 2021.

As of January 6, 2021, the reserve funds shown below total \$588.3 million, which is 14.6% of the FY 2020 actual General Fund revenue collections.

- The \$423.4 million in the Budget Stabilization Fund is the largest amount since it was created in FY 1984. H449 of 2020 raised the cap on this fund from 10% to 15% (Effective July 1, 2021). The Legislature transferred \$50 (\$20 million for FY 2020 and \$30 million for FY 2021) million into this fund during the 2020 session.
- The Public Education Stabilization Fund is used to reconcile the K-12 budget each year with deposits made into the fund when the appropriation is more than sufficient, and withdrawals from the fund when it is not. S1427 of 2020 transferred \$30.0 million into the fund; however, \$32.7 million was withdrawn to reconcile the 2019-2020 school year payments to school districts and charter schools. Those two actions result in a current balance of \$61.2 million that is essentially unchanged from the previous year.
- The emergency funds include: 1) Governor's Emergency, Section 57-1601, Idaho Code; 2) Disaster Emergency, Section 46-1005A, Idaho Code, and 3) Emergency Relief Fund. Much of this balance is the result of the Governor transferring \$39.3 million from the Tax Relief Fund to the Disaster Emergency Account pursuant to Section 46-1005A, Idaho Code. According to the Division of Financial Management, federal CARES Act funding can backfill expenditures from this fund. The Tax Relief Fund had a balance \$109.3 million as of January 6, 2021.

Percent of FY 2020
General Fund Revenue
Collections of \$4,032M

Budget Stabilization Fund (BSF)	\$423,410,812	10.5%
Public Education Stabilization Fund (PESF)	\$61,226,203	1.5%
Emergency Funds	\$46,971,991	1.2%
Idaho Millennium Fund	\$42,507,787	1.1%
Higher Education Stabilization Fund (HESF)	\$14,225,529	0.4%
	\$588,342,322	14.6%