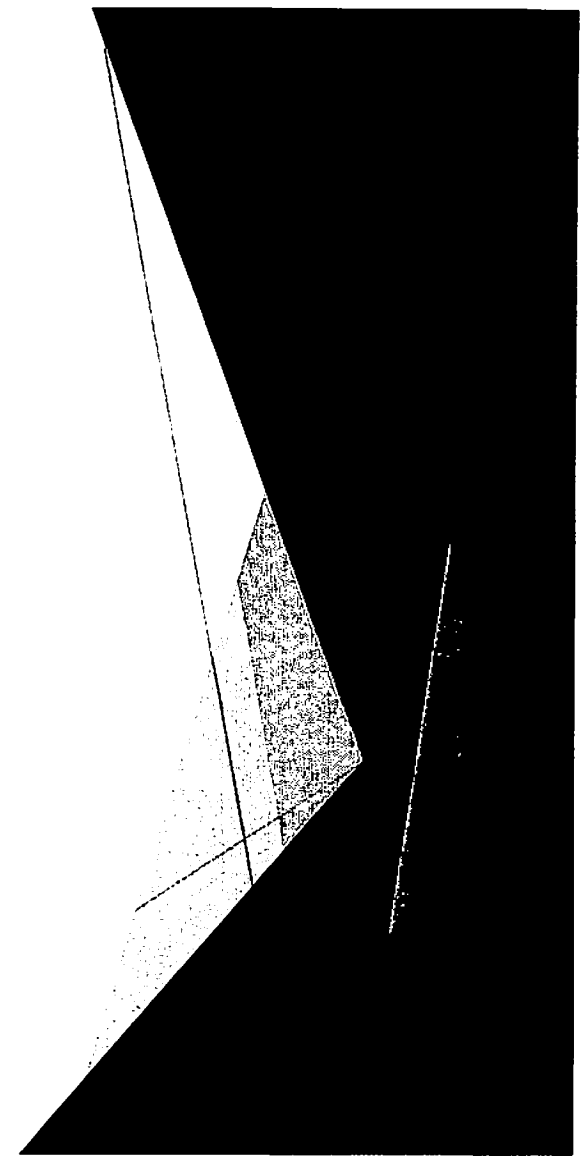


JOINT LEGISLATIVE BUDGET COMMITTEE

**FY 2018
BUDGET RECOMMENDATION**

December 8, 2016



FY 2018 LBR Goals

- **Reinstate the 2% Set Aside in General Funds**
- **Build a Budget Utilizing Only Recurring Funds for Recurring Expenditures**
- **Address Overspending in Areas Identified During Budget Working Group Meetings**
- **Maintain and Build the State's Financial Reserves**

General Fund Revenue Estimates

- **FY 2017 - \$5,671,161,556**
Revised Revenue Upward by \$69.7M
0.3% Below FY16 Collections
- **FY 2018 - \$5,776,100,000**
1.8% Growth over FY17 Revision

General Fund Budget Recommendation

- **\$5,660,578,000 General Funds for FY 2018**
(\$5,776,100 x 98% = \$5,660,578,000)
- **\$87.1M Less Than Reduced FY 2017**
- **1.5% Less Than Reduced FY 2017**

State Support Budget Recommendation

- **\$6,162,370,110 State Support for FY 2018**
- **\$195.3M Less Than Reduced FY 2017**
- **3.0% Less Than Reduced FY 2017**

FY 2018 Increased Funding

- **General Education – School Recognition Program** **\$20.4M**
- **Public Safety – Fund Sworn Officer Salary Increases** **0.3M**
- **Archives – Annualize Salaries of Positions for 2 New Museums** **0.6M**

State Support for Largest Budgets

	<u>LBR</u>	<u>% Change From RFY17</u>
○ K-12 Education	\$2,241.4M	0.0%
○ Medicaid	909.3M	(2.5%)
○ Debt Service	392.2M	0.0%
○ IHL – General Support	377.0M	(6.7%)
○ Corrections	309.9M	(3.3%)
○ Comm College – Support	242.5M	(6.5%)
○ Mental Health	233.2M	(3.2%)
○ General Education	174.8M	7.8%
○ IHL – Univ Medical Center	173.8M	(2.2%)

Remaining at Reduced FY 2017 State Support Levels

- **K-12 Education**
- **Debt Service**
- **Vocational Education**

FY 2018 State Support Reductions

- **Deleted Funding for Most Vacant Positions**
- **Deleted 1,999 Vacant Positions**
- **Eliminated Funds for One-Time Expenditures**
- **Utilized Available Cash Balances**

Legislative Budget Working Groups

- **Reduced Travel (\$12M)**
- **Moratorium on Vehicle Purchases (\$19M)**
- **Reduced Higher Education
Remediation Programs (\$4.5M)**
- **Savings Due to Removing SPB Controls (\$13M)**

Available Unallocated Funds

◦ Working Cash Stabilization Reserve	\$290.3M
◦ 2% Set Aside in General Fund	115.5M
◦ Budget Contingency Funds (Due to BP)	108.6M
◦ Capital Expense Funds	42.1M
◦ Attorney General Settlements (FY17)	33.9M
◦ Idle Special Fund Cash Balances	32.8M
◦ GF due to Tech. Amend. Bill (SB 2362)	13.0M
◦ SF Transfers of Cash Balances (SB 2362)	<u>5.0M</u>
Total Available	\$641.2M

FY 2018 Budget Highlights

- **Reinstated the 2% Set Aside in General Funds**
- **Made Targeted Reductions to Areas Identified During Budget Working Groups**
- **Provided Funding for School Recognition Program**
- **Utilized Recurring Funds to Support Recurring Expenditures**
- **Retained Reserves of \$641.2**