

Balance Sheet Update

**Prepared by Senate Ways and Means
Committee Staff**

January 16, 2008

2007-09 GF-S Balance Sheet

November 2007 Estimate

Dollars in Millions

RESOURCES

Beginning Fund Balance	786.3
September 2007 Forecast	30,016.7
November 2007 Update	(130.4)
Current Revenue Totals	29,886.4
Transfer to/from Other Funds	40.3
Transfer to Budget Stabilization Account	(136.3)
Total Resources (including beginning fund balance)	30,576.6

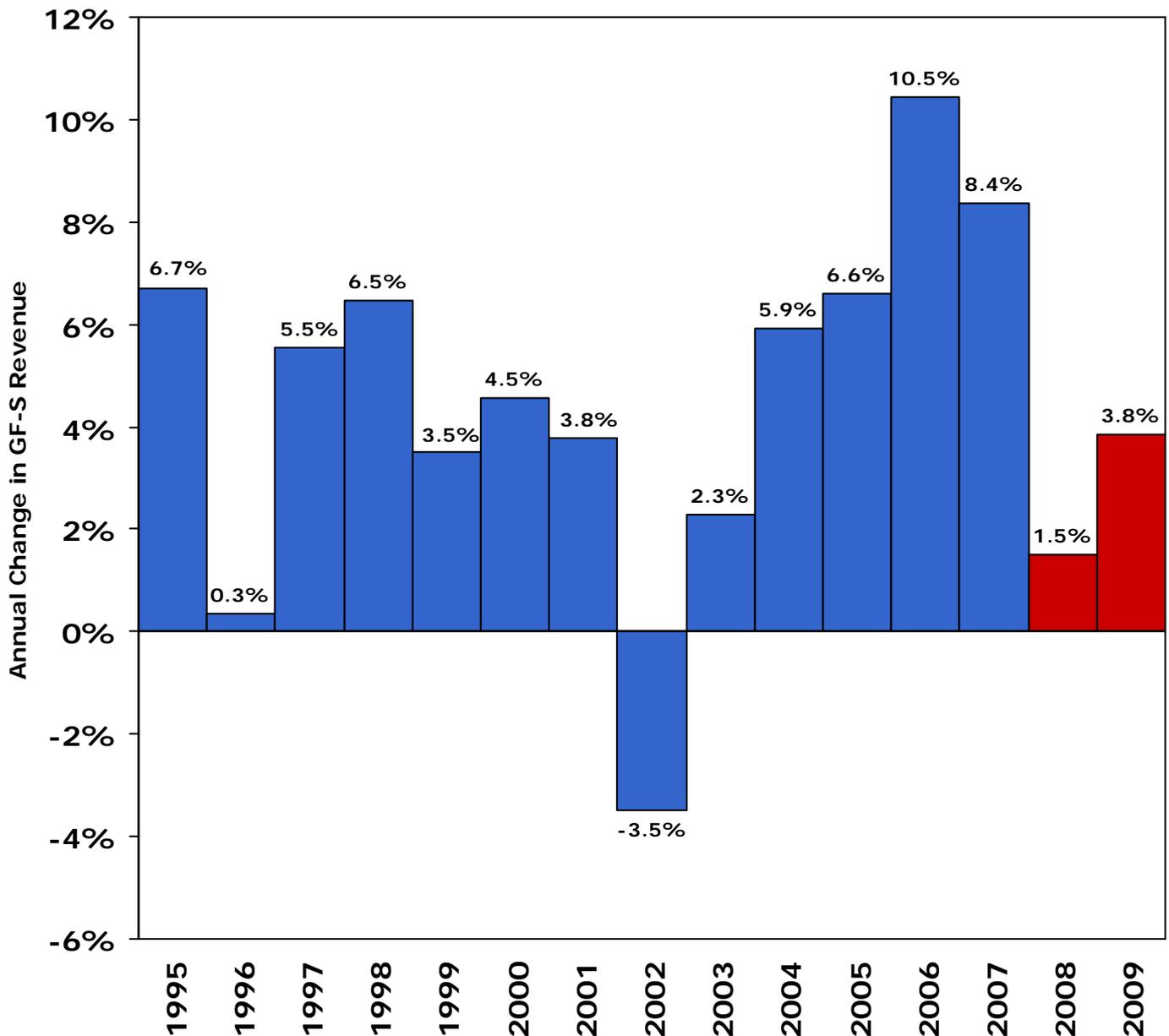
EXPENDITURES

2007-09 Enacted Budget	29,622.9
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RESERVES

Projected General Fund Ending Balance	953.7
Emergency Reserve Fund Beginning Balance	293.3
Transfer To Budget Stabilization Account	(293.3)
Projected Emergency Reserve Fund Ending Balance	0
Transfer To Budget Stabilization Account (From ERF)	293.3
New Deposits	136.3
Projected Budget Stabilization Account Ending Balance	429.6
Total Reserves (General Fund plus Budget Stabilization)	1,383.3

The growth in general fund revenue has slowed quite considerably, and future years remain difficult to forecast.



* The Economic and Revenue Forecast Council will make their first projection for the 2009-11 biennium in the February 2008 forecast.

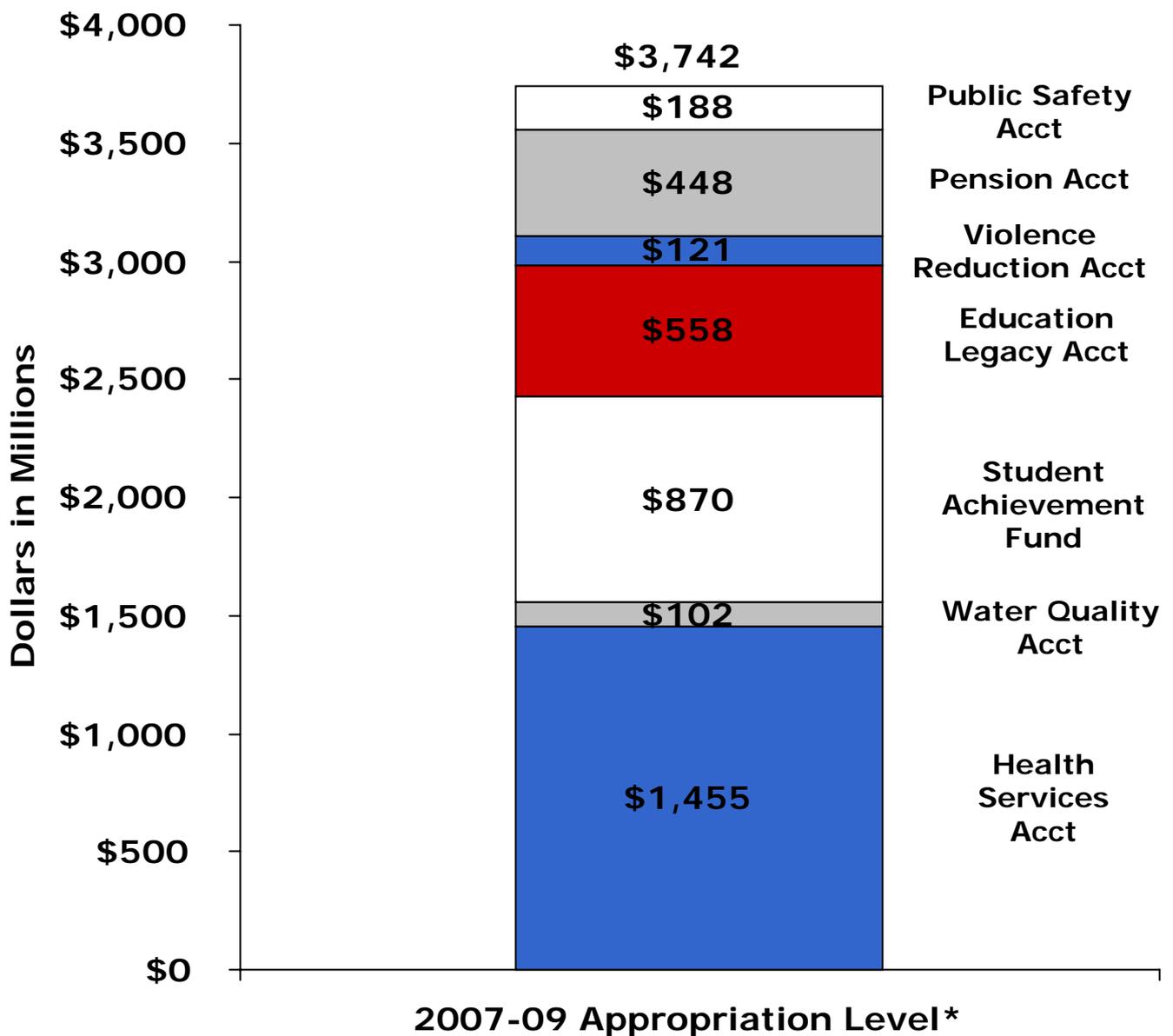
What about the other accounts in the "near general fund?"



In looking at the overall fiscal situation, the other accounts in the “near general fund” need to be considered.

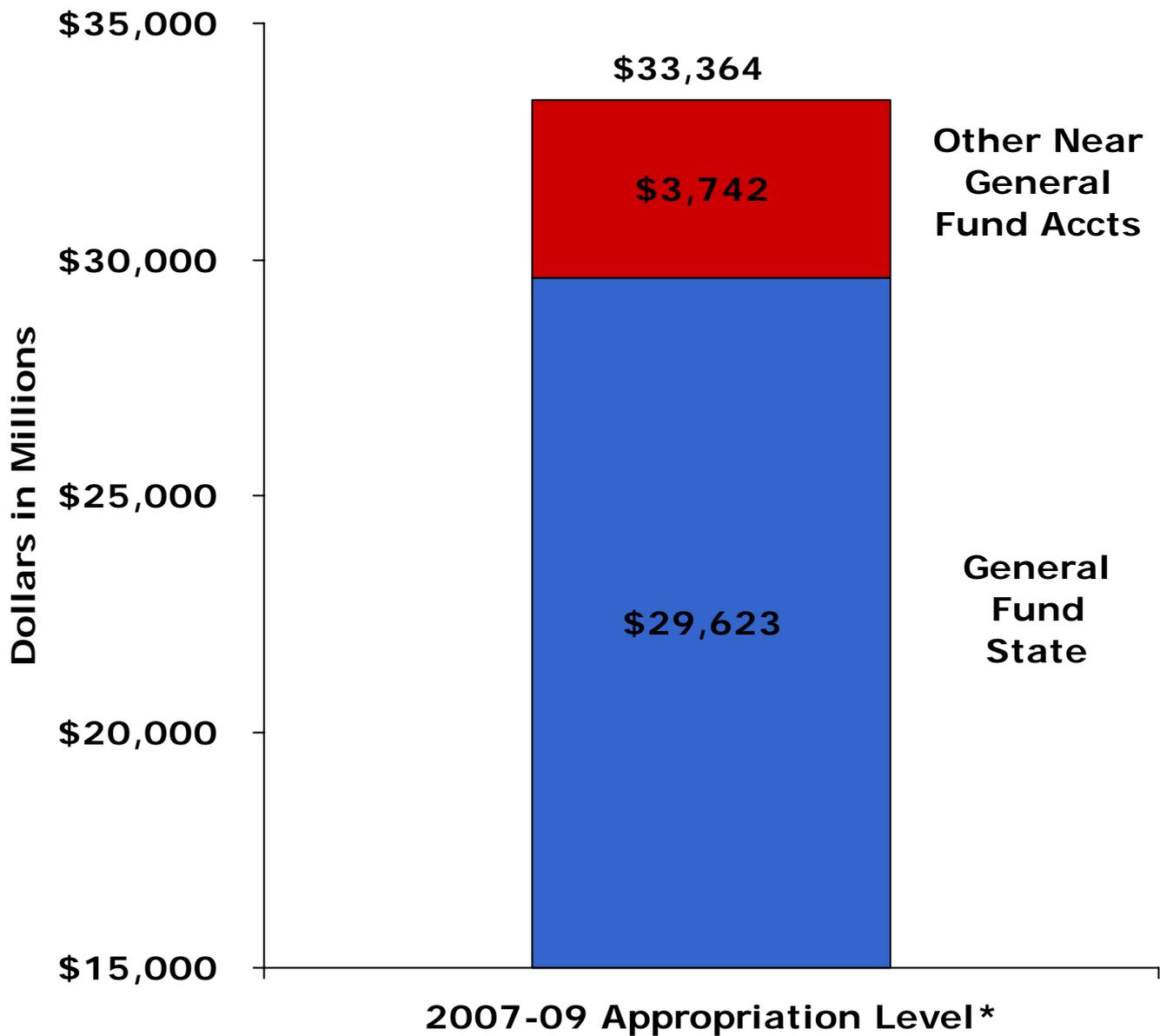
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- **Health Services Account** – Created in 1993, the account is primarily used for providing state match for Medicaid eligible children and funding the Basic Health Plan. The revenue sources for the account are primarily tobacco and alcohol taxes, and a portion of the Tobacco Settlement Payments.
 - **Student Achievement Fund (SAF)** - Created by the passage of Initiative 728, the fund is used for allocations to districts for class size reduction, extended learning, professional development, early learning, and certain building improvements. The revenue sources for the fund are primarily property, cigarette, and estate taxes.
 - **Education Legacy Trust Account** - The account is used for supporting a portion of the SAF per student distributions as well as a variety of other K-12 and higher education activities. Revenue include estate and cigarette taxes.
 - **Water Quality Account (WQA)** - The WQA provides funding to assist in water pollution control activities and facilities. Tobacco taxes and a general fund state transfer provide most of the revenue for the account.
 - **Public Safety and Education Account** – The account, including the Equal Justice subaccount, funds a variety of public safety activities by judicial and executive branch agencies. Revenues include fees, fines, forfeitures, penalties, reimbursements or assessments by the courts.
 - **Violence Reduction and Drug Enforcement Account** – This account is also utilized for a variety of criminal justice activities, such as drug and alcohol treatment, and rehabilitation programs the Juvenile Rehabilitation Administration. Revenue sources include the a variety of cigarette and alcohol taxes.
 - **Pension Funding Stabilization Account** – Established in the 2005-07 biennium as a way to set aside revenues to help pay for pension costs, the source of the revenue for the account has been GF-S and interest earnings. After this biennium, the account is anticipated to have a zero fund balance.

The biennial appropriation amounts in the other accounts in the "near general fund" total \$3.7 billion.



* Reflects the appropriation level based on the original enacted budget. Does not include any potential 2008 changes.

In other words, the current appropriation level for the "near general fund" totals \$33.4 billion.



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So what does this all mean?
