House Orientation
Joint Legislative Budget Committee
Staff Role

December 5, 2018
What is the Joint Legislative Budget Committee?

- 8 members from each house
- Chairmanship rotates between 2 Appropriations Committee Chairmen
- Committee has 202 statutory responsibilities
- During the interim between sessions, the JLBC provides legislative oversight of state fiscal issues
- The Joint Committee on Capital Review is comparable committee for capital issues
What is the JLBC Staff Role?

- 20-person non-partisan staff that provides assistance on fiscal issues
  - Includes analysts assigned to review the budgets of over 100 state agencies
  - Includes economists responsible for revenue forecasts
- Develops Baseline estimates released at beginning of session
- Provides briefing materials and analysis for JLBC and JCCR committees
- Responds to information requests from all legislators
JLBC Staff Develops Cost Estimates of Bills

- Cost estimates are known as “Fiscal Notes”
- Members can request a note on their own bills or other members’ bills
- Goal is a 14-day turnaround
JLBC Staff Updates Members Monthly on Fiscal Issues

JLBC - Monthly Fiscal Highlights

November 2018

Summary

October 2018 General Fund collections totaled $909.2 million and were 9.2% above the prior year, this significant increase was not unexpected, as revenues were projected to grow substantially, with collections boosted by technical (non-economic) issues including the timing of Lottery General Fund deposits and enacted fund transfers.

However, October revenues were $1.5 billion below forecast, which is the first monthly forecast loss since March 2018. This forecast loss is mostly the result of the Individual Income Tax category, which grew at a slower pace during October than in prior months.

Sales Tax revenues grew by 5.6% and were $880 million above forecast for the month. The contracting subcomponent of Sales Tax continues to see strong growth, posting another month of double-digit growth. Since the beginning of FY 2018 (July 2017), contracting tax has grown by double digits in 12 out of 16 months.

Individual Income Tax (IT) revenue growth slowed during October, growing by 4.4% and collections were $19.3 million below forecast. The slower October IT growth and forecast loss is partially caused by an increase in refunds, which were associated with taxpayers who received extensions on their Tax Year 2017 filings which were originally due in April.

October is typically a small collections month for Corporate Income Tax. The category increased by approximately $2 million compared to October 2017 and posted a minor forecast loss of $8.6 million.

Year-to-date, excluding Urban Revenue Sharing and fund transfers, FY 2019 General Fund revenues are 5.5% above the prior year and are $1.5 billion above forecast.

In comparison to October revenue collections of $589.2 million, September 2018 spending was $743.1 million, which is a decrease of $2.4 billion below the prior year.

Fiscal year-to-date, General Fund revenues of $3.57 billion have been offset by $4.75 billion of expenditures.

The operating fund balance consists of the General Fund and certain dedicated funds. The operating balance as of mid-October 2018 is $1.63 billion.

In addition, the state Budget Stabilization Fund (BSF) has a balance of $436.4 million. This amount is lower than the typical balance (approximately $460 million), due to the Department of Public Safety’s usage of BSF bridge loan authority. This bridge loan was authorized by the FY 2019 budget.

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