

## What does \$8.1 Million Revenue Upgrade mean for the budget Adjustment

### **A. General Fund**

1. General Fund revenue forecast is up by \$8.1 million
2. The Property Transfer tax revenue is down by a total of \$400,000 but \$130,000 of this, or 30% according to formula, is already recognized in the new GF forecast so only \$270,000 needs to be solved
3. The Cigarette Tax is down by \$3.3 million that impacts the Health Care Resources Fund. This will require a fund swap between the GF and the SHCRF in Sec. B.301, the global commitment section of the bill.

The House language in FY 2018 BAA Provides:

- That the transfer from Rainy Day Fund of \$5,190,000 will not occur if the revenue forecast increases by up to \$5,190,000. So, the first \$5,190,000 of the new GF revenue upgrade stays in the GF to account for this money associated with the corporate tax refunds, balancing the General fund.
- The remaining \$2,910,000 from the GF revenue upgrade (\$8.1M less \$5.19M) could be allocated between the \$270,000 drop in Property Transfer Tax and the \$3,300,000 drop in Cigarette Tax, totaling \$3,570,000. The difference of \$660,000 could be addressed by taking it from the new temporary reserve of \$5,486,116 in Sec. 37(a)(1) of the BAA.

Possible Third Reading BAA Amendments:

**First:** Amend Sec. 8 (which amends Sec. B.301 Global Commitment) to swap \$3.3 Million Health Care Resources Fund with General Funds

**Second:** Amend Sec. 37 to lower the amount that goes into the temporary reserve to be \$4,826,116 (\$5,486,116 less \$660,000)

### **B. Transportation Fund**

1. Revenues are up \$1.4 million - Can be addressed in context of FY 2019 budget

### **C. Education Fund**

1. Revenues are up \$400,000 - Can be addressed in context of FY 2019 budget