

## Fiscal Highlights

### Where did the FY 2016 General Fund Revenue Surplus Go? - Steven M. Allred

Fiscal Year 2016 ended with a General Fund revenue surplus of \$13.6 million. What happened to that \$13.6 million? First, it's important to understand what a revenue surplus is. The Budgetary Procedures Act defines a "General Fund revenue surplus" as a situation where actual year-end revenue collected exceeds the estimated revenue adopted by the Executive Appropriations Committee. So it's not the same thing as the overall General Fund surplus, which includes expenditure side adjustments and transfers. As reported by the Division of Finance to the Executive Appropriations Committee on October 18 (see page 2 of their [Financial Highlights](#)), of the \$13.6 million, \$8.8 million went to the Medicaid Growth Reduction and Budget Stabilization Account, and the remaining \$4.8 million was evenly split (\$2.4 million each) between the General Fund Budget Reserve Account and the Wildland Fire Suppression Fund.

This was the first time an automatic deposit from the General Fund revenue surplus was made to the Wildland Fire Suppression Fund. Senate Bill 212, 2016 General Session, added a requirement that up to \$4 million from a General Fund revenue surplus be transferred to the Wildland Fire Suppression Fund, assuming the revenue surplus is sufficient. The bill also requires transfers of annual mineral lease bonus payments to the fund, up to certain caps.

Here is a simplified list of funds, accounts, and set-asides that are statutorily directed to receive transfers from a General Fund revenue surplus, in priority order. Please see UCA [63J-1-312](#), 314, and 315 for more detail.

1. Any additional amount needed to pay debt service for any bonded debt authorized by the Legislature.
2. Medicaid Growth Reduction and Budget Stabilization Account: receives the difference between a target of 8% growth in Medicaid program expenditures and actual Medicaid program expenditures, if actual expenditures are less.
3. General Fund Budget Reserve Account: receives 25% of the remainder, up to an account balance of 9% of General Fund appropriations for the fiscal year in which the revenue surplus occurred.
4. General Fund Budget Reserve Account: receives up to another 25% of the remainder if the Legislature has appropriated from the account in the last ten years and hasn't replaced it yet, up to an account balance of 9% of General Fund appropriations.
5. Wildland Fire Suppression Fund: receives up to \$4 million, not to exceed a cap of \$12 million in the fund.
6. Disaster Recovery Restricted Account: receives the lesser of 25% of the remainder, or 6% of General Fund appropriations for the fiscal year in which the revenue surplus occurred.
7. Disaster Recovery Restricted Account: receives the lesser of another 25% of the remainder, or the amount needed to repay any amount the Legislature has appropriated from the account in the last ten years and hasn't replaced yet.
8. Industrial Assistance Account: receives an amount equal to any credit that has accrued under 63N-3-106, not to exceed \$50 million.
9. Other year-end contingency appropriations, set-asides, and required transfers.