

## **FY 2003 State Budget Summary:**

The FY 2003 base General Fund revenue estimate is 6.6% higher than the current FY 2002 estimate. After adjusting for one-time revenue, however, the ongoing growth rate is 4.3%.

The \$36.3 million under-collection experienced in December and January for FY 2002 is also being reflected in the FY 2003 budget.

A total of \$53.1 million in one-time transfers from other funds was approved to help balance the FY 2003 General Fund budget:

- SB 1517 transfers \$26.7 million from the Budget Stabilization Fund; \$7.0 million from the Permanent Building Fund; \$6.4 million from the Capitol Endowment Income Fund; and \$10.0 million from the Tobacco Master Settlement Agreement.
- HB 693 transfers \$3.0 million from the Water Pollution Control Fund.

The impact of Federal Economic Stimulus Legislation (H.R. 3090), estimated to cost the state between \$20 - \$25 million per year for the next three years, has not been reflected in the budget. The Legislature will decide next session whether Idaho should adopt the new federal bonus depreciation allowance provided for in this law.

In order to balance the FY 2003 budget, departments' General Fund base budgets were reduced by \$102.9 million. These reductions replaced the FY 2002 negative supplementals. The average reduction is 5.2%.

There were no General Fund increases provided for Employee Compensation, Operating Expenditure inflation, or replacement Capital Outlay for all but a few budgets.

The total FY 2003 General Fund budget is 3.7% less than the FY 2002 original General Fund appropriation. It is 1.3% under FY 2002 estimated expenditures. FY 1984 was the last time the state General Fund appropriation was less than the previous fiscal year.