



C.L. "BUTCH" OTTER
GOVERNOR

NEWS RELEASE

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STATE BUDGET YEAR ENDS BETTER THAN EXPECTED *IDAHO IS FISCALLY WELL POSITIONED FOR THE FUTURE*

(BOISE) – Governor C.L. "Butch" Otter announced today that the State ended fiscal year 2012 on June 30 with more General Fund revenue than expected.

The State received \$2.587 billion from all forms of tax receipts in the past 12 months. That was almost \$35 million more than the most recent Division of Financial Management projection in January, and 5.9 percent ahead of total tax receipts in the prior fiscal year.

It should be noted that additional revenue does not translate into a "budget surplus" since the State already has in place a mechanism to address these additional funds. Acting on the Governor's recommendation, the Legislature enacted provisions transferring most of the excess revenue into the Budget Stabilization Fund – the State's primary "rainy day" account.

"I'm grateful that Idaho's economy continues to improve and that more Idahoans are finding work," Governor Otter said. "I am also pleased that we have been able to set aside almost \$75.5 million for future rainy days. We begin fiscal 2013 with a lot of uncertainty about the national and global economies and fiscal policies, but with a higher level of certainty and stability in Idaho's State government. That should translate into still more opportunity for growth and future prosperity here at home."

"Idaho's fiscal records are in good order and, in accordance with State law, Idaho's budget is balanced," said Brandon Woolf, acting State Controller. "By wisely managing our resources during the recent economic downturn, Governor Otter and the Legislature have positioned Idaho to embrace opportunities for economic growth as the recovery continues to take root."

Detailed information on State revenues, Idaho's rainy day accounts and other budget activities are available from the Idaho Division of Financial Management at www.idaho.dfm.gov.

A one-page Q&A fact sheet accompanies this release.

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End of Fiscal Year Questions & Answers

What were the State General Fund revenues in the fiscal year ending June 30, 2012 and how did they compare to the forecast?

General Fund revenue for FY 2012 totaled \$2,587,713,300. This represents growth of 5.9 percent over the prior fiscal year. The State Economist had predicted 4.4 percent growth, or \$2,552,724,200. Accordingly, the State General Fund revenue was \$34,989,100 more than had been forecasted.

Does that mean the State has a surplus?

No. Acting on the recommendation of Governor Otter, the Legislature passed H 702 (chapter 337, 2012 Session Laws), which, after making certain other adjustments, directs excess revenue to be deposited into the Budget Stabilization Fund, the State's main "rainy day" account. This transfer was made prior to the end of the fiscal year and is reflected in the figures below.

How much money now is in the State's "rainy day" accounts?

The State has four main savings accounts: Economic Recovery Reserve Fund (ERRF); Public Education Stabilization Fund (PESF); Higher Education Stabilization Fund (HESF); and the Budget Stabilization Fund (BSF). Here are the account totals as of June 30, 2012:

ERRF:	\$ 55,890
PESF:	\$36,967,877
HESF:	\$ 367,129
BSF:	\$23,869,018
Total all funds:	\$61,259,914

In addition to the amounts listed above, Idaho Code requires deposits to BSF whenever State General Fund revenues grow more than 4 percent. Accordingly, the state will deposit another \$25,877,100 into BSF in FY 2013.

Including the FY 2013 BSF transfer, the State has added \$75,462,545 to the four accounts listed above in the past year (since July 1, 2011).

What parts of the revenue stream performed well? Where there areas that underperformed?

A detailed summary of each portion of the General Fund revenue is provided in the *Idaho General Fund Revenue Report* which is issued monthly and available in the publications portion of the Idaho Division of Financial Management Web site located at www.dfm.idaho.gov.

