



BUDGET MEMO: 2020 HOUSE AND SENATE SUPPLEMENTAL OPERATING BUDGET PROPOSALS

March 8, 2020

As the legislature works toward the end of the 2020 session, the focus will largely shift to reaching an agreement on a final compromise budget. Typically, supplemental budgets make adjustments for changes in case load, projected spending, and any emergent issues that have arisen since the full biennial budget was passed. They may also consider new or increased funding needs depending on resources available, but overall there is a tendency towards adjustments in the existing budget rather than funding a lot of new programs.

The House and Senate both released and passed their respective proposed 2020 supplemental operating budgets on February 24th. This memo provides an overview of the different supplemental operating budget proposals as passed off the floor of each chamber, and also some potential shifting in the budget landscape in the final days of session.

Revenue Forecast & Budget Landscape

In the February 19th [spring revenue forecast](#), Near General Fund-State (NGF-S) revenue for the current 2019-21 biennium is forecasted to increase by \$606 million, bringing the total 2019-21 NGF-S to \$52.339 billion, which is 13.6% more than the 2017-19 biennium. NGF-S revenue for the upcoming 2021-23 biennium is forecasted to increase by \$536 million, bringing the total 2021-23 NGF-S to \$55.69 billion, which is 6.4% higher than the expected 2019-21 biennial revenue. For more detail on the spring revenue forecast, see the [Prevention Alliance February 2020 Revenue Forecast Budget Memo](#).

Operating Budget Proposals

The enacted biennial operating budget, which passed during the 2019 legislative session, appropriated \$52.5 billion from the Near General Fund (NGF-O). Both the House and Senate proposed supplemental operating budgets increase funding over the budget passed last year. The increases include both caseload adjustment as well as new policy spending.

A high level summary comparing the two proposals as passed off the floor of each chamber is provided below in Table 1. There is just a \$49 million difference between the two chambers' proposed budgets, which comes from a difference in proposed new policy spending.

Table 1: Comparing the House and Senate Passed Budgets

	House-Passed Operating Budget (February 28th)	Senate-Passed Operating Budget (February 27th)
Appropriations total for 2019-21 biennial budget	\$53.704 billion	\$53.655 billion
Increase in General Fund spending	\$1.1205 billion total increase. Of this, \$144 million is maintenance level; and \$1.061 billion is new policy level spending	\$1.157 billion total increase. Of this, \$144 million is maintenance level; and \$1.013 billion is new policy level spending
Ending fund balance	The NGF-O ending fund balance for the 2019-21 Biennium is projected to be \$595 million; and \$8 million for 2021-23	The NGF-O ending fund balance for the 2019-21 Biennium is projected to be \$707 million this biennium; and \$12 million in 2021-23
Budget Stabilization Account Balance	The Budget Stabilization Account ending balance for the 2019-21 biennium is \$2.18 billion; and \$2.802 billion for 2021-23	The Budget Stabilization Account ending balance for the 2019-21 biennium is \$2.18 billion; and \$2.804 billion for 2021-23
Links to documents	House Passed Budget Bill Statewide Summary and Agency Detail Budget Outlook	Senate Passed Budget Bill Statewide Summary Agency Detail Budget Outlook

Both proposed budgets passed under the Senate bill number ([SB 6168](#)). This is a procedural step where whichever chamber passes their budget off their chamber floor first, that budget bill number becomes the vehicle for the budget.

The Senate passed their proposed budget with a bipartisan vote of 33 to 16. The House passed their proposed budget with a party-line vote of 55 to 39. Five Senate Republicans (Sens Braun, Hawkins, O’Ban, Rivers, Walsh) voted for the Senate-proposed budget.

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This publication was supported by National Center for Chronic Disease Prevention and Health Promotion of the Centers for Disease Control and Prevention under award number NU58DP004830. The content of this publication is solely the responsibility of the authors and does not necessarily represent the official views of the Centers for Disease Control and Prevention.