



The Joint Budget Committee spent this week reviewing projections for the next fiscal year and recommendations by the Governor for spending.

The revenue forecast presented by the Department of Finance and Administration shows an expected net available revenue of \$5.6 billion. This is \$237 million (4.3%) more than what is expected for the current fiscal year. The state's fiscal year begins on July 1.

The revenue forecast also predicts moderate job gains and rising wage income. The Arkansas economy remains near the national average growth rate.

Arkansas law requires the Governor to submit a balanced budget proposal and present the proposal to the General Assembly before every session.

Gov. Asa Hutchinson began the hearing by presenting a \$5.6 billion budget for Fiscal Year 2019.

The proposed increases in this budget include an additional:

- \$1.3 million for the public school fund
- \$3.5 million for the Department of Correction
- \$1.7 million for the Department of Community Correction
- \$4 million for county jail reimbursement
- \$10 million for higher education
- \$142 million for Department of Human Services (DHS)

The increase for DHS includes increases for Medicaid and funding for 65 new child welfare case workers.

His proposal also projects to provide a surplus of \$64 million. He is requesting that \$16 million be used to match federal grants for highways and the remaining be set aside in a reserve fund to be used only in the event of an economic downturn.

Agency heads then presented their individual request before the committee. Members were able to ask questions about expenses and upcoming needs.

All of the information presented this week will aid in drafting appropriation bills. Members can now begin filing bills to be considered.

Just as your household budget reflects your priorities, the state budget does the same. We will be working diligently over the next few weeks to ensure we craft a budget that meets the needs of Arkansans while being efficient in our spending.

The Fiscal Session begins February 12.