



# Arkansas House Newsletter

April 17, 2020

## 2020 Fiscal Session



While we are facing difficult and uncertain times, Arkansans should know that essential services in state government will continue.

This week during the 2020 Fiscal Session, the Arkansas General Assembly passed a balanced budget for the next fiscal year prioritizing funding for education, health care, and public safety.

The 2021 Fiscal Year begins July 1.

The Revenue Stabilization Act passed this week prioritizes \$5.9 billion in spending for the next fiscal year.

By law, the RSA prioritizes spending in categories with Category A spending first. This year's RSA creates 5 categories: A, A1, B, C, and D.

Category A includes \$5.3 billion in funding. Every state agency receives the majority of funding in Category A. This category also includes \$60 million to the Restricted Reserve Fund which can be accessed for any urgent or unforeseen funding needs.

Category A1 includes \$181.4 in funding for elementary and secondary education, Medicaid, and the Department of Correction to ensure these essential services are fully funded.

The total funding outlined in categories A, A1, B, and C total \$5.67 billion. This is equal to the amount of revenue currently forecasted.

Due to the economic downturn created by the pandemic, the Department of Finance and Administration recently reduced the 2021 forecast for net general revenue available by \$205.9 million.

To accommodate that reduction, Category D distributes \$212 million to various agencies should the economy bounce back above the current forecast.

The Governor is already reviewing guidance from medical experts on how to safely re-engage businesses after Arkansas sees a decline in COVID-19 cases. The peak is expected around May 2. We do not anticipate our economy will slow down, but rather that we are on pause.

The House will reconvene on Friday, April 24 at noon to address any unfinished business and officially adjourn the 2020 Fiscal Session Sine Die.

You can watch live and recorded sessions of the House on our website. We have also posted a link to the legislation outlining next year's budget. Visit [www.arkansashouse.org](http://www.arkansashouse.org).