



2020 Regular Session
of the Alabama Legislature

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State Budget Process

- September – process begins with revenue estimating
- November 1st - agencies begin submitting budget requests
 - Budget Office staff receive and analyze requests
- November/December – meetings with agencies to discuss their budgets
- Late December/Early January - discuss priorities with the Governor and begin to formulate early drafts of the budget
 - Follow up meetings are held with agencies as necessary
- The Governor holds meetings with legislative leadership to get their input on policy matters
- Final decisions are made by the Governor up to the week before the Regular Session begins

Revenue Estimates and Economic Assumptions

➤ **Alabama's economy remains strong**

- In 2019 Alabama added, on average, 40,230 jobs per month
- Unemployment rate was 2.7% for December 2019

➤ **We do not anticipate a recession through 2021**

- U.S. economy (Real GDP) grew 2.3% in 2019
- Forecasted growth is 2.1% in 2020 and 2.1% in 2021

➤ **ETF Estimated revenue growth**

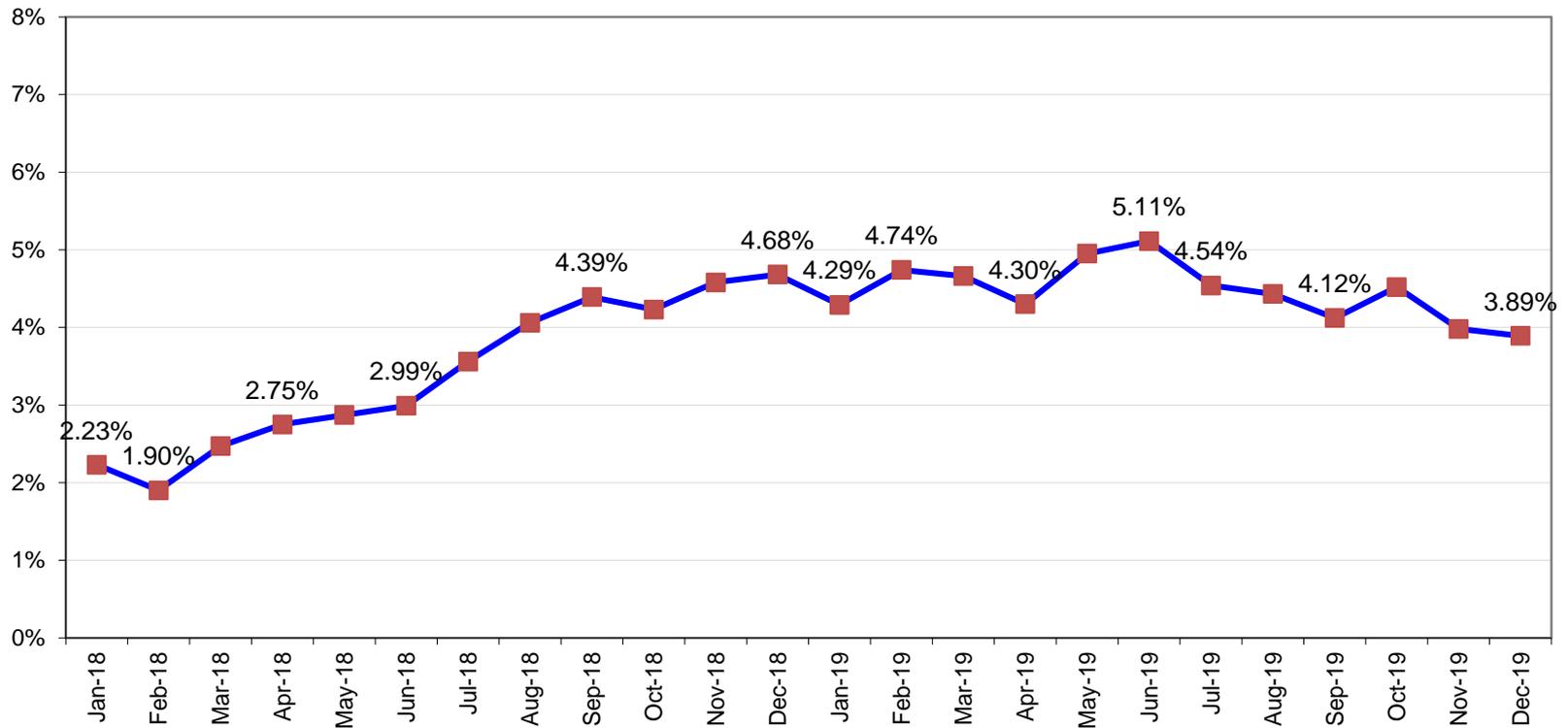
- FY2020 – 4.46%
- FY2021 – 1.90%

➤ **SGF Estimated revenue growth**

- FY2020 – 3.94%
- FY2021 – 2.40%

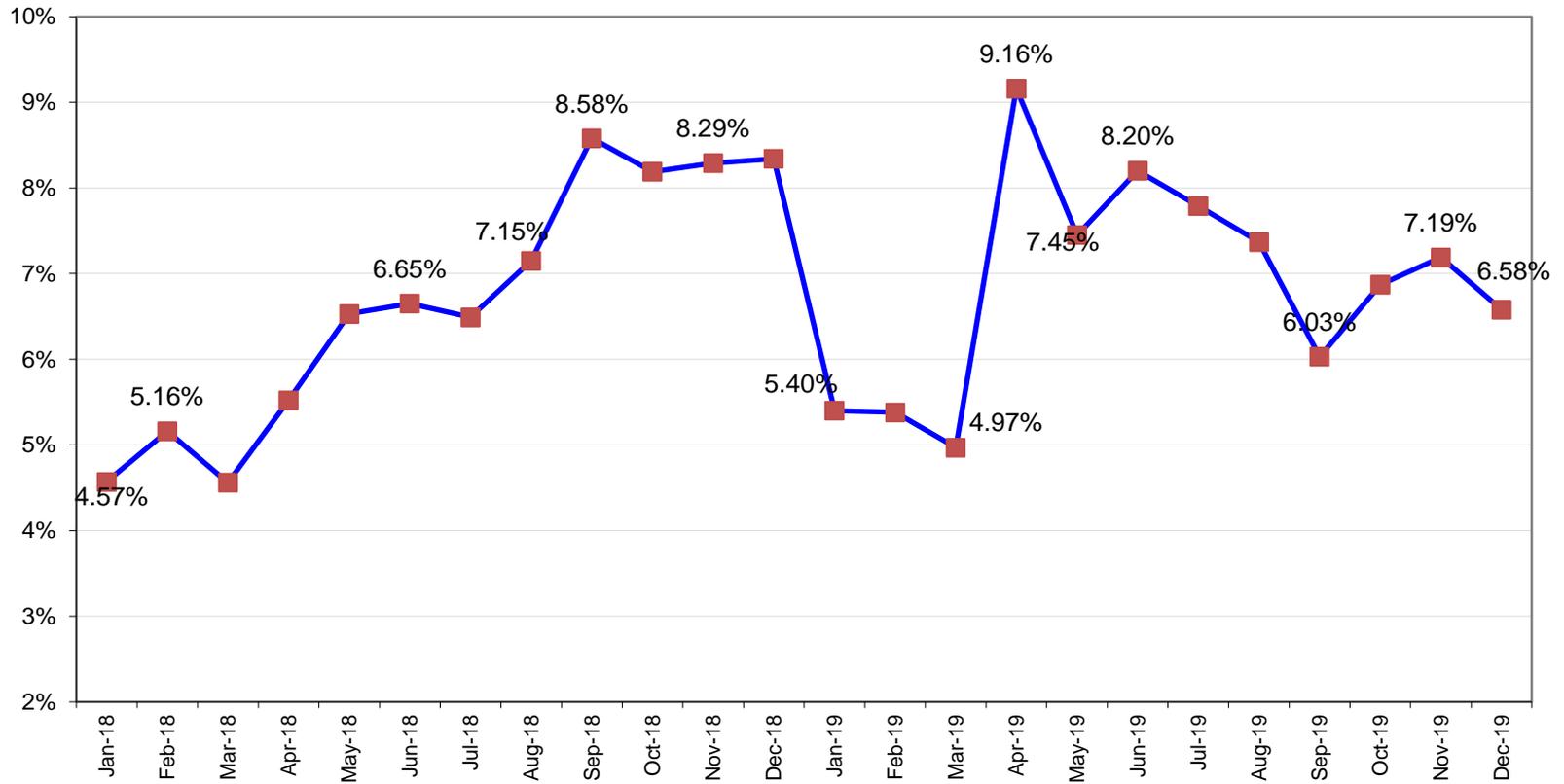
Sales Tax Collections

**GROSS SALES TAX
12 MONTH ROLLING AVERAGE**



Individual Income Tax Collections

**GROSS INDIVIDUAL INCOME TAX
12 MONTH ROLLING AVERAGE**



Total State Debt Outstanding

General Obligation Bonds

\$658 million

Revenue Bonds

\$4.05 billion

- Public School & College Authority
- State Port Authority
- Economic Settlement
- Federal Aid Highway Finance Authority
- Incentives Finance Authority
- Public Healthcare Authority
- Building Renovation Finance Authority
- 21st Century Authority
- Mental Health Authority
- Revolving Loan Fund Authority

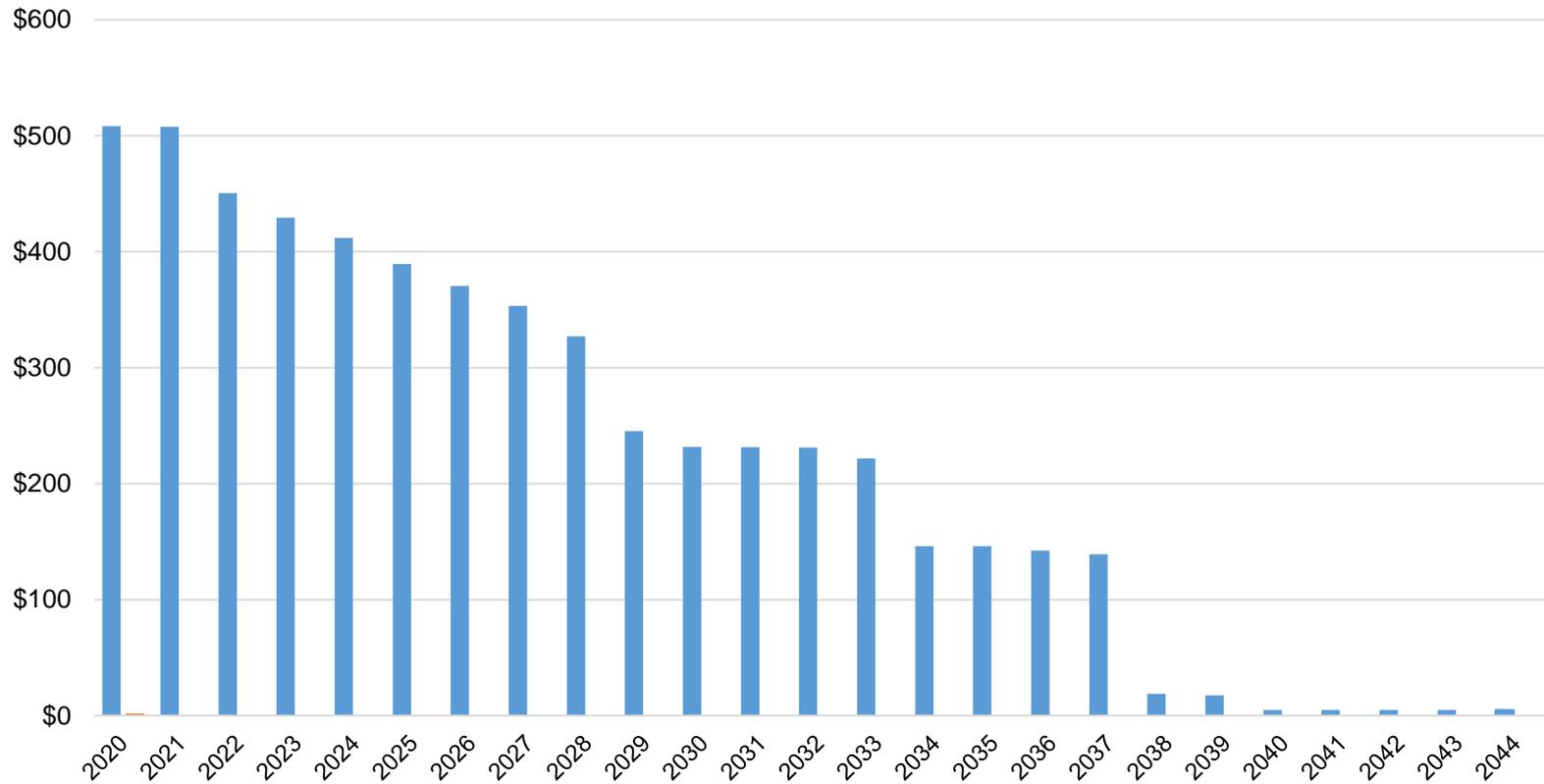
Total State Indebtedness

\$4.70 billion (as of 9/30/19)

Debt Outstanding – Rank vs Other States

State	Net Tax Supported Debt (in 000s)	National Rank	Per Capita	National Rank	% of Personal Income	Rank
Alabama	\$4,285,571	25	\$877	27	2.2%	27
Arkansas	\$1,782,522	38	\$591	35	1.4%	31
Florida	\$17,302,435	9	\$812	29	1.7%	30
Georgia	\$10,476,548	14	\$996	26	2.3%	25
Kentucky	\$8,633,844	16	\$1,932	12	4.8%	9
Louisiana	\$7,099,162	20	\$1,523	17	3.5%	16
Mississippi	\$5,322,398	23	\$1,782	14	4.9%	8
South Carolina	\$2,555,179	31	\$503	39	1.2%	38
Tennessee	\$2,062,971	35	\$305	44	0.7%	44

Total Annual Debt Service (in millions)



Rainy Day Accounts

➤ ETF

- Current available amount is \$454,146,159 (6.5% of FY19 budget)
- No outstanding amount to be repaid

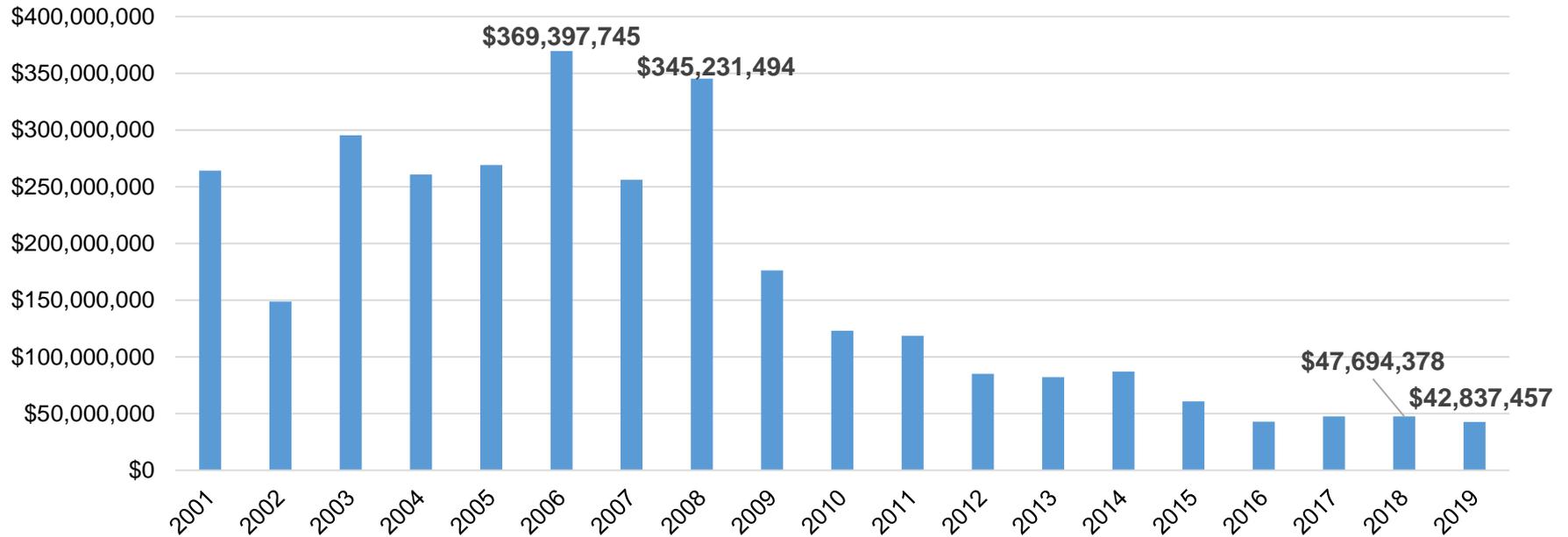
➤ SGF

- Current available amount is \$212,295,186 (10% of FY19 budget)
- No outstanding amount to be repaid

➤ ATF Repayment

- | | |
|-------------------------------|---------------|
| ○ Original amount withdrawn | \$437,390,829 |
| ○ Amount repaid as of 9/30/20 | \$280,434,126 |
| ○ Remainder | \$156,956,703 |
| ○ Annual required payment | \$ 13,500,000 |

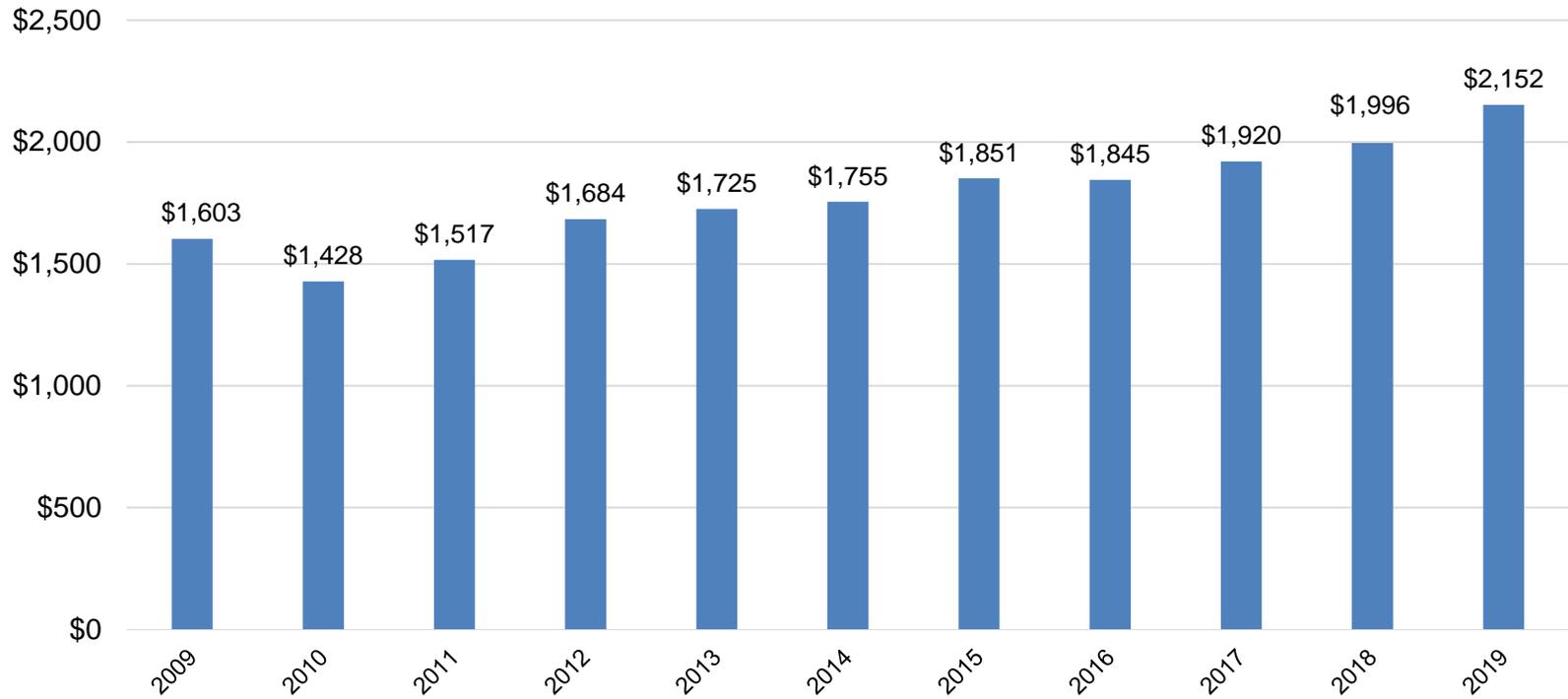
Alabama Trust Fund Offshore Royalty Receipts



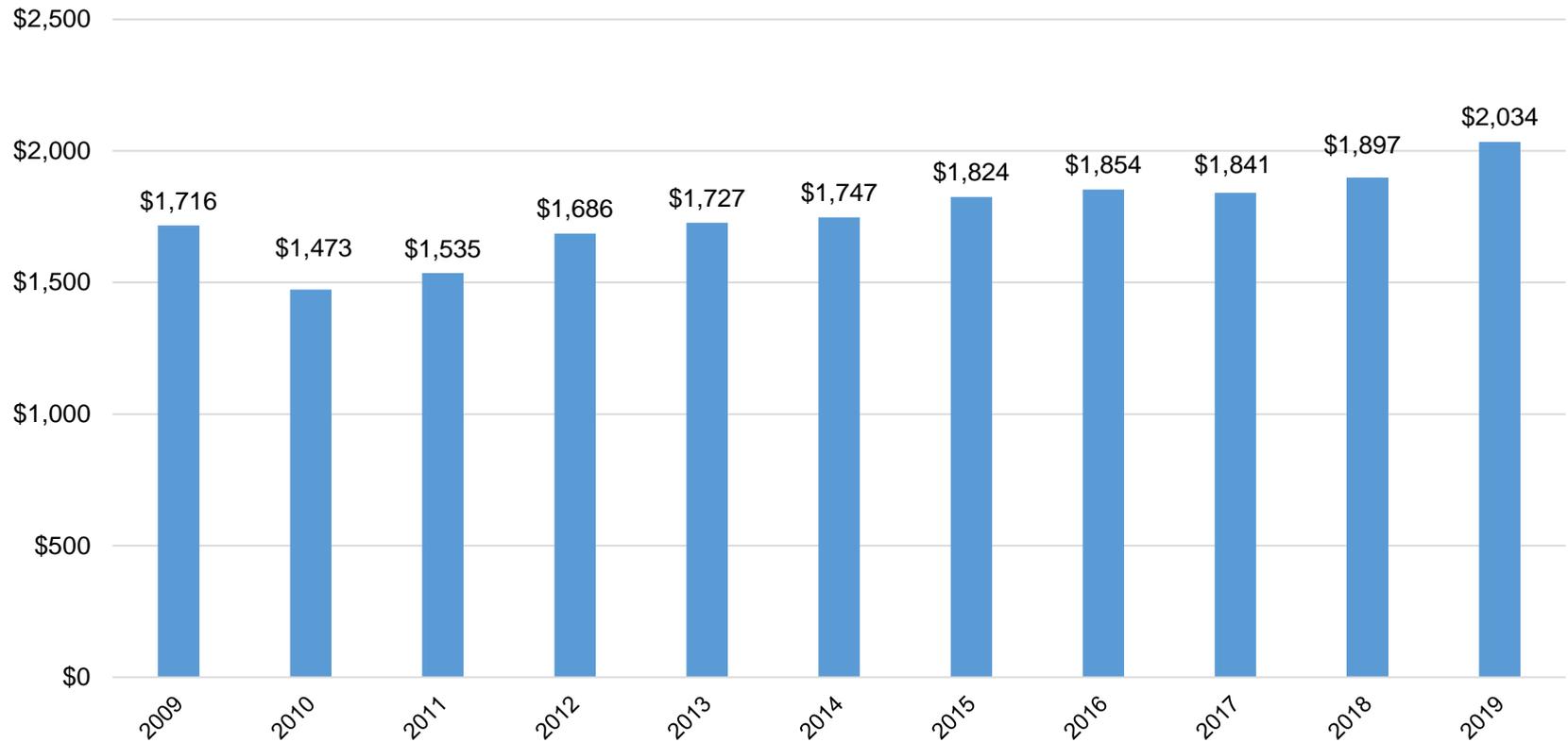
Alabama Trust Fund Assets (in millions)



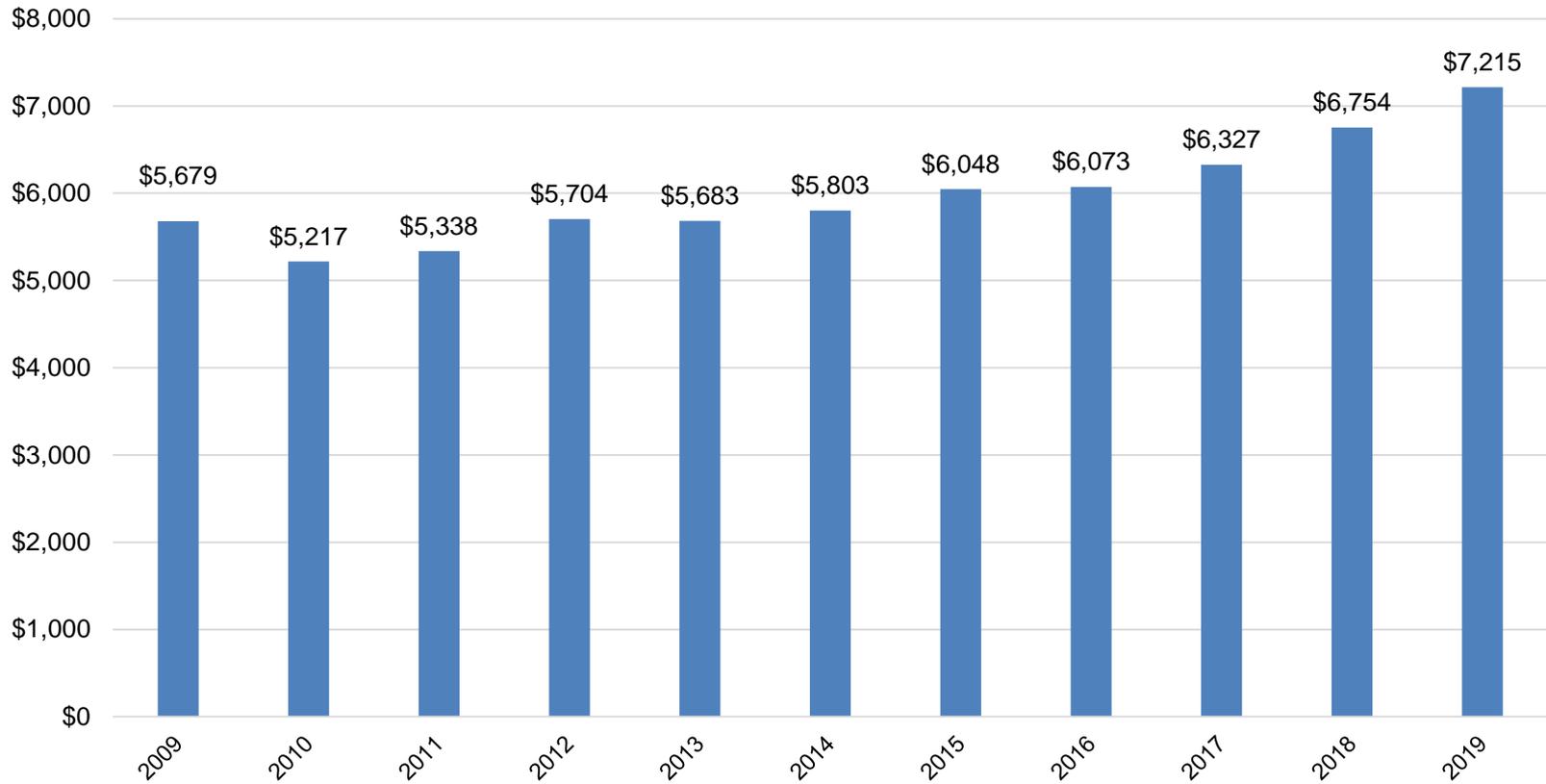
General Fund Revenue (in millions)



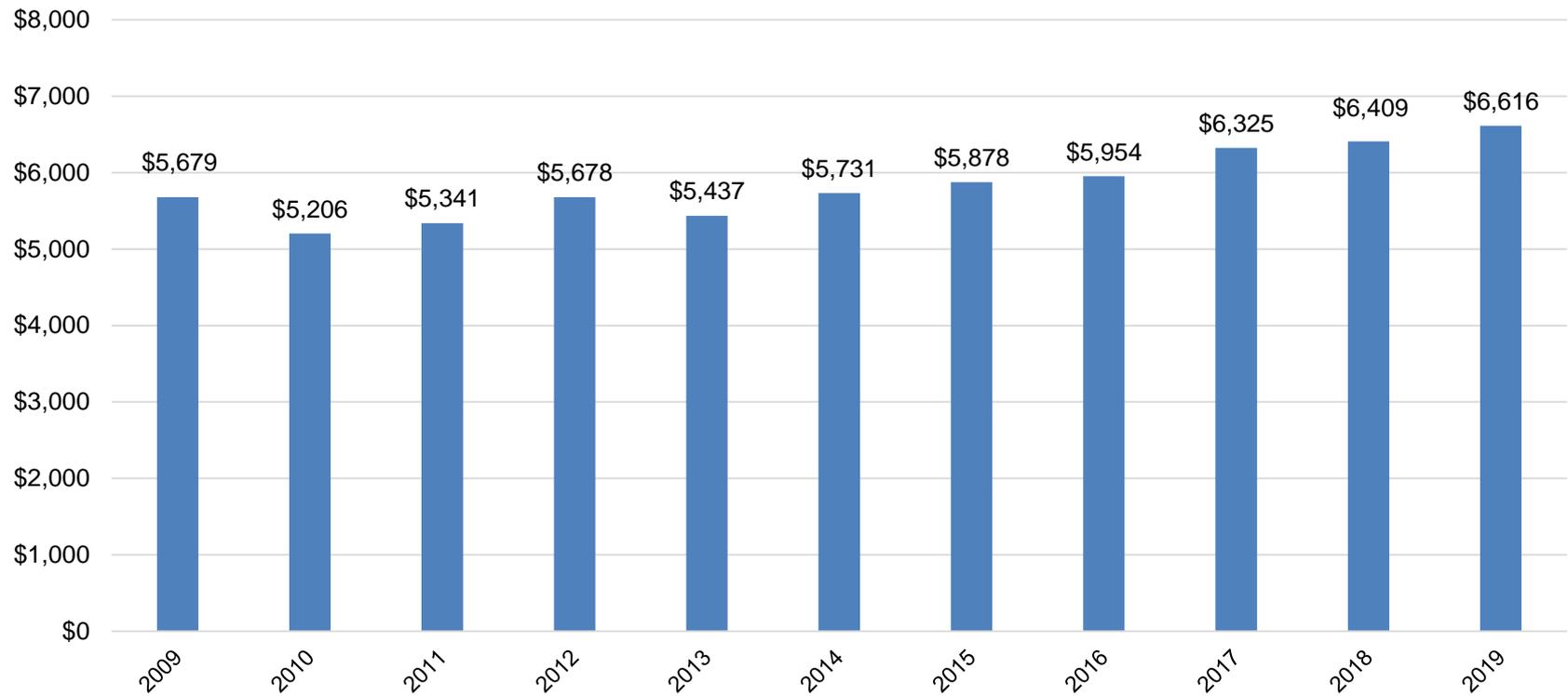
General Fund Expenditures (in millions)



ETF Revenue (in millions)



ETF Expenditures (in millions)



2021 Budget – Governor’s Proposal

General Fund:

Beginning balance	\$ 273 million
Revenue	\$2.290 billion
Available	\$2.563 billion
Appropriations	<u>\$2.563 billion</u>
Ending balance	\$0

2021 Budget – Governor’s Proposal

Education Trust Fund:

Beginning balance	\$0
Revenue	\$7.677 billion
Appropriations	<u>\$7.537 billion</u>
Ending balance	\$ 130 million