



Office of Fiscal Analysis

FY 24 BUDGET PROJECTIONS

February 26, 2024

PROJECTIONS IMPROVE SLIGHTLY OVERALL

The Office of Fiscal Analysis projects operating surpluses within the General and Special Transportation funds of \$161.4 million and \$246.3 million, respectively. Relative to [last month's projections](#), the projected operating surplus in the General Fund has increased by \$12.6 million and the projected operating surplus in the Special Transportation Fund has decreased by \$3.2 million. Updated expenditure projections represent the entirety of this month's changes to our projections.

In the General Fund, the largest single adjustment is a \$6 million reduction to the Magnet Schools line-item expenditure projection within the State Department of Education; enrollment has increased by only 0.3% this fiscal year, which is less than planned in the budget. A net reduction of \$4.75 million to expenditure projections of several line-items within the Workers' Compensation Claims division of the Department of Administrative Services reflects ongoing claims trends across various state agencies. Other updates to expenditure projections within the General Fund yield a \$1.85 million total (net) reduction to this month's expenditure projections.

In the Special Transportation Fund, technical updates to fringe benefits projections make up the entirety of the \$3.2 million increased expenditure projection this month.

While no revenue adjustments are made in this month's projection, OFA continues to monitor closely ongoing trends and will update accordingly. In particular, the impact of recently effective income tax cuts and demonstrated weakness within the sales and use tax are significant topics.

Uncertainty within the pass-through entity tax and estimated and finals portion of the personal income tax poses a potentially negative and significant risk to revenue projections. However, this risk is likely restricted to the volatility adjustment transfer to the Budget Reserve Fund and unlikely to impact General Fund budgeted revenues.

Final payments for the pass-through entity tax and estimated and finals portion of the personal income tax are due March 15 and April 15, respectively.

Overview In Millions of Dollars

General Fund	Budget	February Estimate	Difference from Budget
Revenues	22,505.3	22,499.9	(5.4)
Expenditures	22,105.6	22,338.5	232.9
Surplus/(Deficit)	399.7	161.4	(238.3)
Budget Reserve Fund			
Budget Reserve Deposit	1,082.9	639.9	(443.0)
Budget Reserve Balance	6,273.3	5,830.3	(443.0)
Special Transportation Fund			
Revenues	2,352.6	2,367.1	14.5
Expenditures	2,148.4	2,120.8	(27.6)
Surplus/(Deficit)	204.2	246.3	42.1
Fund Balance	874.2	916.3	42.1

General Fund Summary

In Millions of Dollars

Summary	FY 24
Budgeted Balance	399.7
Revenue Changes	
+ Withholding	152.9
+ Estimates and Finals	(144.9)
+ Sales and Use	(200.0)
+ Federal Grants	98.2
+ Net Revenue	88.4
Revenue Subtotal	(5.4)
Expenditure Changes	
+ Agency Deficiencies	(279.6)
+ Net Lapses	46.8
Expenditure Subtotal	(232.9)
= Surplus/(Deficit)	161.4
Budget Reserve Fund Starting Balance	5,190.4
+ Surplus/(Deficit)	161.4
+ Volatility Adjustment	478.5
= Budget Reserve Transfer Subtotal	639.9
= Budget Reserve Fund Balance	5,830.3

Special Transportation Fund Summary

In Millions of Dollars

Summary	FY 24
Budgeted Surplus	204.2
Revenue	
+ Motor Vehicle Receipts	18.5
+ Licenses, Permits & Fees	17.5
+ Highway Use Tax	(25.0)
+ Net Revenue	3.5
Revenue Subtotal	14.5
Expenditures	
+ Agency Deficiencies	(1.5)
+ Net Lapses	29.1
Expenditure Subtotal	27.6
= Surplus/(Deficit)	246.3
STF Starting Balance	670.0
+ Surplus/(Deficit)	246.3
= Fund Balance	916.3

For further information, please see the links below:

[Revenue Details Table](#)

[Expenditure Details Table](#)

[Budget Status Page](#)