



Office of Fiscal Analysis

FY 24 BUDGET PROJECTIONS

March 25, 2024

PROJECTED GENERAL FUND SURPLUS IN A STATE OF FLUX

The Office of Fiscal Analysis projects operating surpluses within the General and Special Transportation funds of \$25.4 million and \$254.6 million, respectively. Relative to [last month's projections](#), the projected operating surplus in the General Fund has decreased by \$136 million and the projected operating surplus in the Special Transportation Fund has increased by \$8.3 million. In the General Fund, projected expenditures have increased slightly (\$2 million overall) and revenue projections have decreased by \$134 million. In the Special Transportation Fund, expenditure projections are up \$8.7 million but net revenue projections overall have increased by \$17 million.

General Fund

The largest single revenue adjustment in the General Fund is a \$100 million downgrade to projections of the sales and use tax. We have seen a decline in sales tax collections as retail sales in January and February have turned sharply downwards from sales levels in prior months. Revenue projections of other taxes are down \$40 million (net) relative to last month's projections as updates are made to reflect current trends in collections. State revenues from lottery (transfers – special revenue) are revised downwards by \$22 million, which is partially offset by a \$13 million upgrade to projections of Indian gaming payments. Lastly, a positive adjustment of \$15 million to investment income revenue projections reflects a technical update.

The outlook for withholding (income) tax collections has brightened recently. However, no adjustment is yet made to projections, pending additional collections data points in the coming weeks. Projections of this revenue stream, along with every other revenue stream in the General and Special Transportation funds, will be revisited as part of the consensus revenue estimating process due April 30th.

Special Transportation Fund

The largest change to spending is a net increase of \$12 million for the Department of Motor Vehicles which includes previously unplanned spending for modernization efforts. The positive adjustment for revenues includes increases to motor vehicle registration and related receipts, interest income, and sales taxes derived from casual (private) car sales, all based on trends. Highway use tax collections are revised downward to reflect lower than anticipated collections.

Overview

In Millions of Dollars

General Fund	Budget	March Estimate	Difference from Budget
Revenues	22,505.3	22,365.9	(139.4)
Expenditures	22,105.6	22,340.5	234.9
Surplus/(Deficit)	399.7	25.4	(374.3)
Budget Reserve Fund			
Budget Reserve Deposit	1,082.9	503.9	(579.0)
Budget Reserve Balance	6,273.3	5,694.3	(579.0)
Special Transportation Fund			
Revenues	2,352.6	2,384.1	31.5
Expenditures	2,148.4	2,129.5	(18.9)
Surplus/(Deficit)	204.2	254.6	50.4
Fund Balance	874.2	924.6	50.4

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	(300.0)
+ Federal Grants	98.2
+ Net Revenue	54.4
Revenue Subtotal	(139.4)
Expenditure Changes	
+ Agency Deficiencies	(297.9)
+ Net Lapses	63.0
Expenditure Subtotal	(234.9)
= Surplus/(Deficit)	25.4
Budget Reserve Fund Starting Balance	5,190.4
+ Surplus/(Deficit)	25.4
+ Volatility Adjustment	478.5
= Budget Reserve Transfer Subtotal	503.9
= Budget Reserve Fund Balance	5,694.3

Special Transportation Fund Summary

In Millions of Dollars

Summary	FY 24
Budgeted Surplus	204.2
Revenue	
+ Motor Vehicle Receipts	26.0
+ Licenses, Permits & Fees	22.5
+ Highway Use Tax	(30.0)
+ Net Revenue	13.0
Revenue Subtotal	31.5
Expenditures	
+ Agency Deficiencies	(3.9)
+ Net Lapses	22.8
Expenditure Subtotal	18.9
= Surplus/(Deficit)	254.6
STF Starting Balance	670.0
+ Surplus/(Deficit)	254.6
= Fund Balance	924.6

For further information, please see the links below:

[Revenue Details Table](#)

[Expenditure Details Table](#)

[Budget Status Page](#)