



# Office of Fiscal Analysis

FY 24 BUDGET PROJECTIONS

June 25, 2024

## BUDGET RESERVE FUND SET TO RISE ABOVE \$4 BILLION

The balance of the Budget Reserve Fund is set to increase by approximately \$730 million to \$4,046 million in FY 25 as the results of FY 24 are finalized, which would be equal to 17.74% of the FY 25 net total General Fund appropriation. A total deposit of approximately \$625 million into the teachers' and state employees' pensions funds is anticipated to reduce unfunded liabilities.

The Office of Fiscal Analysis projects operating surpluses within the General and Special Transportation funds of \$231.2 million and \$271.4 million, respectively. Relative to [last month's projections](#), the projected operating surplus in the General Fund has increased by \$36.7 million and the projected operating surplus in the Special Transportation Fund (STF) has decreased by \$10.3 million.

### General Fund

General Fund revenue projections are revised upwards by a total of \$31.3 million (net) as changes are made to the following categories: 1) tax projections are revised upwards by a total of \$13 million (net) to reflect collections trends in various revenue streams; 2) other revenues are revised upwards by a total of \$57 million with the largest amount being a \$20 million positive adjustment to interest income as the state's available cash remains relatively strong<sup>1</sup> and interest rates remain elevated; and 3) federal grants revenue available to balance the FY 24 budget is reduced by \$38.7 million as the federal share of Medicaid-related expenditures exceeds expectations this fiscal year. Projected expenditures are revised downwards by a total of \$5.4 million (net) as technical updates to reflect fiscal year-ending trends are made across several line items within various state agencies.

### Overview

In Millions of Dollars

General Fund	Budget	June Estimate	Difference from Budget
Revenues	22,505.3	22,564.8	59.5
Expenditures	22,105.6	22,333.6	228.0
<b>Surplus/(Deficit)</b>	<b>399.7</b>	<b>231.2</b>	<b>(168.5)</b>
<b>Budget Reserve Fund</b>			
Budget Reserve Deposit	1,082.9	1,354.7	271.8
<b>Special Transportation Fund</b>			
Revenues	2,352.6	2,389.5	36.9
Expenditures	2,148.4	2,118.1	(30.3)
<b>Surplus/(Deficit)</b>	<b>204.2</b>	<b>271.4</b>	<b>67.2</b>
<b>Fund Balance</b>	<b>883.3</b>	<b>950.5</b>	<b>67.2</b>

### Special Transportation Fund

Changes to STF revenue include a downward revision of \$15 million to Oil Companies based on lower than expected third quarter payments, for which we now have full data. STF expenditures are adjusted downward by \$4.7 million, driven primarily by a \$4.3 million reduction for debt service savings. Other miscellaneous expenditure adjustments downwards of \$0.3 million include changes to fringe and Department of Transportation personal services to reflect trends.

<sup>1</sup> \$10.2 billion according to the most recent [report by the State Treasurer](#)

**General Fund Summary**

In Millions of Dollars

**Special Transportation Fund Summary**

In Millions of Dollars

Summary	FY 24	Summary	FY 24
<b>Budgeted Balance</b>	<b>399.7</b>	<b>Budgeted Surplus</b>	<b>204.2</b>
<b>Revenue Changes</b>		<b>Revenue</b>	
+ Withholding	252.9	+ Motor Vehicle Receipts	24.8
+ Estimates and Finals	355.1	+ Licenses, Permits & Fees	17.5
+ Sales and Use	(320.0)	+ Highway Use Tax	(30.0)
+ Federal Grants	165.7	+ Net Revenue	24.6
+ Net Revenue	(394.2)	<b>Revenue Subtotal</b>	<b>36.9</b>
<b>Revenue Subtotal</b>	<b>59.5</b>	<b>Expenditures</b>	
<b>Expenditure Changes</b>		+ Agency Deficiencies	0.0
+ Agency Deficiencies	(56.2)	+ Net Lapses from Original	30.3
+ Net Lapses	(171.8)	<b>Expenditure Subtotal</b>	<b>30.3</b>
<b>Expenditure Subtotal</b>	<b>(228.0)</b>	<b>= Surplus/(Deficit)</b>	<b>271.4</b>
<b>= Surplus/(Deficit)</b>	<b>231.2</b>	<b>STF Starting Balance</b>	<b>679.1</b>
<b>FY 24 Budget Reserve Fund Starting Balance</b>	<b>5,190.4</b>	+ Surplus/(Deficit)	271.4
FY 24 Transfers to Pensions	(1,874.6)	<b>= Fund Balance</b>	<b>950.5</b>
<b>FY 24 Balance net transfers to Pensions</b>	<b>3,315.8</b>		
+ Surplus/(Deficit)	231.2		
+ Volatility Adjustment	1,123.5		
<b>= Budget Reserve FY 24 transfer Subtotal</b>	<b>1,354.7</b>		
<b>FY 25 Budget Reserve Fund Starting Balance</b>	<b>4,670.5</b>		
FY 25 Transfers to Pensions	(625.0)		
<b>FY 25 Balance net transfers to Pensions</b>	<b>4,045.5</b>		

For further information, please see the links below:

[Revenue Details Table](#)

[Expenditure Details Table](#)

[Budget Status Page](#)