

OFFICE OF FISCAL ANALYSIS

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State Budget Projections General Fund January 25, 2012

We are currently projecting a \$144.5 million deficit in the General Fund. This amount reflects an estimated net increase in expenditure requirements of \$130.7 million, and a net reduction in revenue of \$94.7 million, from original budgeted levels. The original FY 12 budget contained an \$80.9 million surplus.

The budget is heavily reliant on budgeted lapses to achieve balance. Of the \$777.9 million budgeted, we have been able to identify \$651.4 million in lapses. About five months remain in the fiscal year and the remaining \$126.5 million may still be achieved through various savings or budgeting mechanisms.

Given the reduction in available funding that occurs due to budgeted lapses (holdbacks), we identify nine agencies that would require \$127.3 million in additional expenditure requirements. However, if available funding were to be released, these levels would be reduced to three agencies that would require deficiency funding totaling \$4.1 million.

Note: These projections were calculated prior to the release of the Governor's January 23, 2012 rescissions which total \$78.7 million. We are currently conducting an analysis of these rescissions of programmatic impact as well as potential overlap with existing lapses.

These projections do not assume the use of available carry forward funding for purposes other than which was intended at the time the carry-forward was authorized. For example, although carry forward funding in the Reserve for Salary Adjustment account (from FY 11 into FY 12) of \$86.2 million may be available after all funding requirements have been met, this funding could be moved to offset other shortfalls.

FY 12 General Fund Overview (in millions)

Estimates	Budget \$	Current Projection \$	Difference from Budget \$
Expenditures	18,707.7	18,838.4	130.7
Revenue	18,788.6	18,693.9	(94.7)
Surplus/(Deficit)	80.9	(144.5)	(225.4)
% of Expenditures	0.4%	-0.8%	

FY 12 General Fund Details (in millions)

Estimates	Budget \$	Current Projection \$	Difference from Budget \$
Expenditures			
Agency Appropriations	19,485.6	19,485.6	-
Deficiency Requirements	0.0	4.1	4.1
Lapses	(777.9)	(651.4)	126.5
Total Expenditures	18,707.7	18,838.4	130.7
Revenues			
Taxes			
Personal Income	8,550.6	8,474.7	(75.9)
Sales and Use	3,789.0	3,880.5	91.5
Corporations	707.7	707.7	0.0
Other	2,000.8	2,032.6	31.8
Refunds/R&D Credit Exchange	(1,029.0)	(1,086.5)	(57.5)
Subtotal: Taxes	14,019.1	14,009.0	(10.1)
Other Revenue	1,226.5	1,158.8	(67.7)
Other Sources			
Federal Grants	3,589.7	3,572.8	(16.9)
Other	(46.7)	(46.7)	0.0
Subtotal: Other Sources	3,543.0	3,526.1	(16.9)
Total Revenues	18,788.6	18,693.9	(94.7)
Operating Surplus/(Deficit)	80.9	(144.5)	(225.4)

FY 12 General Fund Estimated Agency Deficiency Needs

Agency	Budgeted Appropriation \$	Available ^[1] Appropriation \$	Estimated Exp. \$	Deficiency without release of holdbacks \$	Deficiency with release of holdbacks \$
State Comptroller - Fringe Benefits	2,213,861,926	1,910,176,238	2,001,907,054	(91,730,816)	-
Department of Correction	695,185,070	658,825,625	678,479,348	(19,653,723)	-
Department of Emergency Services and Public Protection	172,588,839	156,881,861	165,286,901	(8,405,040)	-
Teachers' Retirement Board	792,027,161	791,745,682	794,145,681	(2,399,999)	(2,118,520)
State Comptroller - Adjudicated Claims	4,000,000	4,000,000	5,800,000	(1,800,000)	(1,800,000)
Public Defender Services Commission	64,655,475	62,456,370	63,982,037	(1,525,667)	-
Department of Energy and Environmental Protection	78,295,740	72,554,750	73,354,750	(800,000)	-
Department of Veterans' Affairs	31,809,493	28,393,182	28,910,493	(517,311)	-
Workers' Compensation Claims - Department of Administrative Services	27,726,672	27,451,672	27,951,672	(500,000)	(225,000)
TOTAL				(127,332,556)	(4,143,520)

[1] Appropriation less budgeted lapses