



# Office of Fiscal Analysis

FY 17 GENERAL FUND BUDGET PROJECTION

May 5, 2017

## Summary

We are projecting a deficit of \$380 million. This new deficit projection reflects the negative impact of Income Tax collections in April and various other updates included in the consensus revenue estimates released on May 1st. In addition, several expenditure updates resulting in a net reduction (improvement to the bottom line) of \$18.8 million are made. The projected deficit is approximately \$144 million greater than the balance of the Budget Reserve Fund.

## Highlights

### Income Tax Estimate down \$390 Million

April collections of Estimated and Final payments fell short of April's target by \$300 million. In addition, projections of the June Estimated payments have been downgraded by \$90 million. In total, FY 17 Estimated and Final payments are projected to decline \$303.9 million or 8.9% from FY 16. This marks the second consecutive fiscal year of negative growth in Estimated and Final payments (FY 16 growth was -7.0% over FY 15).

The decline in collections is due in part to the state receiving approximately \$200 million less from the top 100 tax payers. This marks the second year in a row in which the state saw declines in revenue from the top 100 tax payers of over \$200 million.

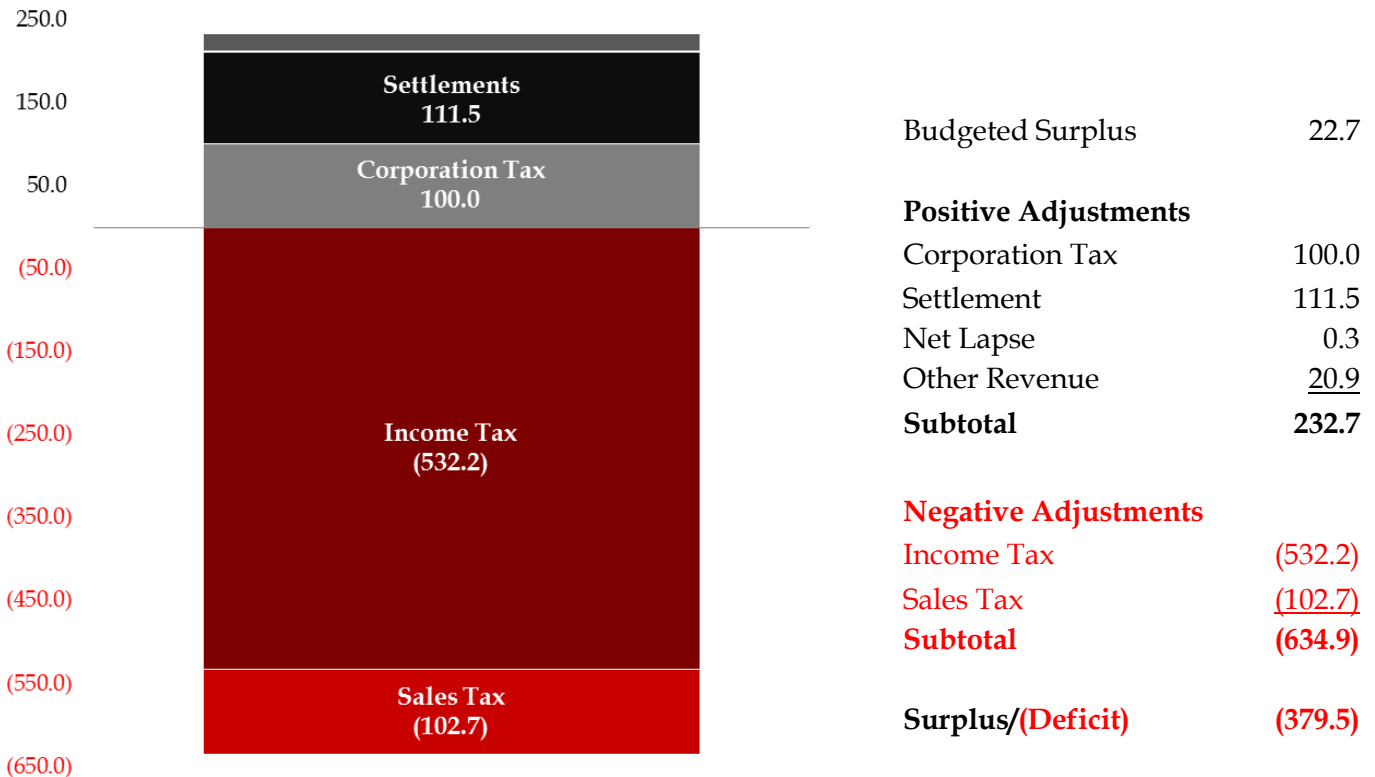
Figure 1. General Fund Overview

In Millions of Dollars

	Budget	April Estimate	Difference from Budget	
			\$	%
Revenues	17,886.7	17,484.2	(402.5)	-2.3%
Expenditures	<u>17,864.0</u>	<u>17,863.7</u>	(0.2)	0.0%
<b>Surplus/(Deficit)</b>	<b>22.7</b>	<b>(379.5)</b>	<b>(402.3)</b>	<b>-2.3%</b>

Figure 2. Major Items Contributing to Surplus/ (Deficit)

In Millions of Dollars



**New Debt Service Savings Erases Projected Deficiency**

Approximately \$5 million in savings from the April bond refunding and additional lapse from variable rate bonds is expected to eliminate the \$8.5 million deficiency in the debt service accounts that was projected in the March 2017 monthly statement.

**Links**

[Deficient Agency Table](#)

[Expenditure Details Table](#)

[Revenue Details Table](#)