Summary
We are projecting an FY 18 deficit of $642.4 million once the volatility adjustment is taken into account.

Highlights
The deficit projection has improved by $78.5 million since our statement of May 25th. Spending projections are down $43.9 million and revenue projections are up $34.6 million. Adjustments to the Medicaid line item and Corporation Business Tax make up the bulk of the improved outlook for spending and revenues, respectively.

Separately, the projected volatility transfer to the Budget Reserve Fund has increased by $100 million from $1.29 billion to $1.39 billion. Projected revenues in the Estimated and Final payments portion of the Personal Income Tax, which is governed by the volatility transfer, are up $100 million since last month’s projection.

Figure 1. General Fund Overview
In Millions of Dollars

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>June Estimate</th>
<th>Difference from Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>18,739.3</td>
<td>18,086.2</td>
<td>(653.1) -3.5%</td>
</tr>
<tr>
<td>Expenditures</td>
<td>18,690.1</td>
<td>18,728.6</td>
<td>38.6 0.2%</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>49.2</td>
<td>(642.4)</td>
<td>(691.7) -3.7%</td>
</tr>
</tbody>
</table>

Figure 2. Major Items Contributing to Surplus/ (Deficit)
In Millions of Dollars

Budgeted Surplus 49.2
Positive Adjustments
Withholding 98.5
Net Lapse 353.7
Subtotal 452.2

Negative Adjustments
Federal Grants (622.0)
Budgeted Carryforward (341.7)
Sales Tax (69.6)
Net Other Revenue (60.0)
Deficient Agencies (50.5)
Subtotal (1,143.8)

Surplus/(Deficit) (642.4)

Links
Deficient Agency Table
Expenditure Details Table
Revenue Details Table