



# Office of Fiscal Analysis

FY 19 BUDGET PROJECTIONS

April 30, 2019

## INCOME TAX REVENUES CONTINUE STRONG GROWTH

The Office of Fiscal Analysis projects a General Fund (GF) surplus of \$579.9 million and a Special Transportation Fund (STF) surplus of \$51.6 million in FY 19. The GF surplus, combined with the updated volatility adjustment transfer of \$886 million, will result in a \$1,465.9 million deposit into the Budget Reserve Fund (BRF) at the close of FY 19. [Previous estimate](#)

### General Fund

General Fund revenues are estimated to be \$582 million over budget after taking into account the Volatility Adjustment transfer of approximately \$886 million.

April consensus revenue estimates for the Withholding portion of the Personal Income Tax are revised upwards by \$100 million and are now \$430 million over budget, which reflects approximately 8% growth in collections year-over-year. Sales Tax, unchanged in the April consensus estimate, remains \$140 million over budget. April consensus revenue estimates for the Corporation Tax are revised upward by \$37 million and are now \$127 million over budget.

### Overview

In Millions of Dollars

	Budget	April Estimate	Difference from Budget
<b>General Fund</b>			
Revenues	19,008.7	19,591.0	582.3
Expenditures	18,998.2	19,011.1	12.9
<b>Surplus/(Deficit)</b>	<b>10.5</b>	<b>579.9</b>	<b>569.4</b>
<b>Budget Reserve Fund</b>			
Budget Reserve Deposit	373.6	1,465.9	1,092.3
<b>Budget Reserve Balance</b>	<b>1,558.9</b>	<b>2,651.2</b>	<b>1,092.3</b>
<b>Special Transportation Fund</b>			
Revenues	1,620.5	1,675.4	54.9
Expenditures	1,617.3	1,623.8	6.5
<b>Surplus/(Deficit)</b>	<b>3.2</b>	<b>51.6</b>	<b>48.4</b>
<b>Fund Balance</b>	<b>248.9</b>	<b>297.3</b>	<b>48.4</b>

### Notable Issues

- \$36.4 million increase in Medicaid expenditures since last month (1.4% change) due to less favorable trends, bringing the projected lapse from \$70 million to \$33.6 million; and
- \$14.3 million increase in Care4Kids program expenditures since last month (13.9% change) to reflect spending needs to meet federal CCDF expenditure requirements

### Special Transportation Fund

Special Transportation Fund revenues are estimated to be \$55 million over budget, including a downward revision of \$12 million in April consensus revenue estimates primarily due to adjustments in the Oil Companies Tax and Refunds of Tax categories.

### Budget Reserve Fund

At the beginning of FY 19, fund reserves were \$1,185.3 million in the Budget Reserve Fund (which is the reserve for the General Fund). After the FY 19 Volatility Adjustment, the balance of the Budget Reserve Fund is estimated to be \$2,071.3 million.

**General Fund Summary**

In Millions of Dollars

Summary	Change from Budget
<b>Budgeted Surplus</b>	<b>10.5</b>
<b>Revenue</b>	
+ Income Tax Withholding	430.4
+ Sales & Use Tax	137.3
+ Corporation Tax	127.1
+ Refunds of Taxes	(112.2)
+ Net Revenue	(0.3)
<b>Revenue Subtotal</b>	<b>582.3</b>
<b>Expenditures</b>	
+Net Lapses	105.2
+Agency Deficiencies	(118.2)
<b>Expenditure Subtotal</b>	<b>(12.9)</b>
<b>= Surplus/(Deficit)</b>	<b>579.9</b>
<b>Budget Reserve Fund Starting Balance</b>	<b>1,185.3</b>
+ Surplus/(Deficit)	579.9
+ Volatility Adjustment	886.0
<b>= Budget Reserve Transfer Subtotal</b>	<b>1,465.9</b>
<b>= Budget Reserve Fund Balance</b>	<b>2,651.2</b>

**Special Transportation Fund Summary**

In Millions of Dollars

Summary	Change from Budget
<b>Budgeted Surplus</b>	<b>3.2</b>
<b>Revenue</b>	
+ Oil Companies	27.7
+ Interest Income	22.8
+ Sales Tax	9.2
+ Net Revenue	(4.8)
<b>Revenue Subtotal</b>	<b>54.9</b>
<b>Expenditures</b>	
+ Net Lapses	(5.3)
+ Agency Deficiencies	(1.2)
<b>Expenditure Subtotal</b>	<b>(6.5)</b>
<b>= Surplus/(Deficit)</b>	<b>51.6</b>
<b>STF Starting Balance</b>	<b>245.7</b>
+ Surplus/(Deficit)	51.6
<b>= Fund Balance</b>	<b>316.2</b>

For further information, please see the links below:

[Revenue Details Table](#)

[Expenditure Details Table](#)

[Budget Status Page](#)

[Agency Deficiencies](#)