



Office of Fiscal Analysis

FY 19 BUDGET PROJECTIONS

June 25, 2019

PROJECTED OPERATING SURPLUS CLIMBS TO \$700 MILLION

The Office of Fiscal Analysis projects a General Fund surplus of \$698.4 million and a Special Transportation Fund surplus of \$53.1 million in FY 19. The General Fund surplus, combined with the updated volatility adjustment transfer of \$935.5 million and budget adjustments totaling -\$540.9 million, will result in a \$1,093 million deposit into the Budget Reserve Fund at the close of FY 19. [Previous estimate](#)

Overview

In Millions of Dollars

General Fund

General Fund revenues are adjusted upwards by \$145.5 million in total to reflect ongoing trends in collections.

Positive adjustments to estimates of Sales and Use Tax, the Withholding portion of the Personal Income Tax and the Corporation Tax account for \$104.9 million of the total upwards adjustment.

Other major adjustments include a positive \$35 million adjustment to reflect additional fringe benefit recoveries and an increase of \$42 million to refunds of taxes (negative impact on estimates). On net, other revenue adjustments impacting the General Fund are \$47.6 million in total. See "Revenue Details" table linked at the bottom of this report for more details.

Estimated expenditures increased approximately \$21 million from May primarily due to the inclusion of \$45 million in carry forwards in the budget. This increase was offset by approximately \$24 million in other decreases in estimated expenditures.

Budget Reserve Fund

The estimated transfer to the Budget Reserve Fund reflects uses of surplus funds: 1) \$380.9 million to establish a special capital reserve fund for the Teachers' Retirement System; and 2) a \$160 million reserve for potential use related to a hospital settlement.

	Budget	June Estimate	Difference from Budget
General Fund			
Revenues	19,008.7	19,736.5	727.8
Expenditures	18,998.2	19,038.1	39.9
Surplus/(Deficit)	10.5	698.4	687.9
Budget Reserve Fund			
Budget Reserve Deposit	373.6	1,093.0	719.4
Budget Reserve Balance	1,558.9	2,278.3	719.4
Special Transportation Fund			
Revenues	1,620.5	1,675.4	54.9
Expenditures	1,617.3	1,622.3	5.0
Surplus/(Deficit)	3.2	53.1	49.9
Fund Balance	248.9	298.8	49.9

General Fund Summary

In Millions of Dollars

Summary	Change from Budget
Budgeted Surplus	10.5
Revenue	
+ Income Tax Withholding	465.4
+ Sales & Use Tax	177.2
+ Corporation Tax	157.1
+ Refunds of Taxes	(154.2)
+ Net Revenue	82.3
Revenue Subtotal	727.8
Expenditures	
+Net Lapses	23.1
+Agency Deficiencies	(63.0)
Expenditure Subtotal	(39.9)
= Surplus/(Deficit)	698.4
Budget Reserve Fund Starting Balance	1,185.3
+ Surplus/(Deficit)	698.4
+ Volatility Adjustment	935.5
+ TRS Special Capital Reserve	(380.9)
+ Reserve for Potential Hospital Settlement	(160.0)
= Budget Reserve Transfer Subtotal	1,093.0
= Budget Reserve Fund Balance	2,278.3

For further information, please see the links below:

[Revenue Details Table](#)[Expenditure Details Table](#)[Budget Status Page](#)**Special Transportation Fund Summary**

In Millions of Dollars

Summary	Change from Budget
Budgeted Surplus	3.2
Revenue	
+ Oil Companies	27.7
+ Interest Income	22.8
+ Sales Tax	9.2
+ Net Revenue	(4.8)
Revenue Subtotal	54.9
Expenditures	
+ Net Lapses	(5.0)
+ Agency Deficiencies	-
Expenditure Subtotal	(5.0)
= Surplus/(Deficit)	53.1
STF Starting Balance	245.7
+ Surplus/(Deficit)	53.1
= Fund Balance	298.8