



Office of Fiscal Analysis

FY 20 BUDGET PROJECTIONS

May 26, 2020

FY 20 DEFICIT PROJECTIONS IMPROVE DUE TO: FEDERAL FUNDS SHIFT FROM FY 21 AND EXPENDITURE UPDATES

The Office of Fiscal Analysis projects a General Fund deficit of \$596.6 million and a Special Transportation Fund deficit of \$99 million in FY 20. Relative to our [previous estimate](#), projected deficits decreased by \$361.9 million and \$0.7 million in the General Fund and Special Transportation Fund, respectively.

FY 20 DEFICIT PROJECTIONS

Funds Update

Federal reimbursements of \$285.5 million for the inpatient component of the hospital supplemental payments are now anticipated in FY 20 rather than FY 21 as assumed in the April Consensus Revenue Estimate.

General Fund expenditure projections are revised downward by \$76.4 million with major downward adjustments as follows: (1) \$27.6 million in Department of Social Services; (2) \$16.4 million in State Department of Education; (3) \$9 million in Judicial Department; and (4) \$8.9 million in Debt Service.

Overview

In Millions of Dollars

	Budget*	May Estimate	Difference from Budget
General Fund			
Revenues	19,543.7	18,770.6	(773.1)
Expenditures	19,423.2	19,367.2	(56.0)
Surplus/(Deficit)	120.5	(596.6)	(717.1)
Budget Reserve Fund			
Budget Reserve Deposit	429.4	(278.3)	(707.7)
Budget Reserve Balance	2,935.0	2,227.3	(707.7)
Special Transportation Fund			
Revenues	1,723.4	1,565.9	(157.5)
Expenditures	1,710.3	1,664.9	(45.4)
Surplus/(Deficit)	13.1	(99.0)	(112.1)
Fund Balance	333.2	221.1	(112.1)

* Includes December Special Session Revisions

A downward adjustment to Indian Gaming Payments may become necessary in the future pending a policy decision that would shift revenue that ordinarily would be received in FY 20 to FY 21

Note: Due to the delay in certain tax collections (see the [previous estimate](#) for a list), FY 20 revenue projections remain largely in flux. The revenue accrual period for FY 20 ends the first week of August.

General Fund Summary

In Millions of Dollars

Summary	FY 20
Original Budgeted Surplus	141.1
+ Hospital Settlement Revenues	83.5
+ Hospital Settlement Expenditures	(104.2)
Budgeted Surplus	120.4
Revenue Changes	
+ Withholding	(190.3)
+ Sales & Use Tax	(257.1)
+ Corporations Tax	(126.0)
+ Net Revenue	(199.7)
Revenue Subtotal	(773.1)
Expenditure Changes	
+ Agency Deficiencies	(84.4)
+ Net Lapses	140.4
Expenditure Subtotal	56.0
= Surplus/(Deficit)	(596.6)
Budget Reserve Fund Starting Balance	2,505.6
+ Surplus/(Deficit)	(596.6)
+ Volatility Adjustment	318.3
= Budget Reserve Transfer Subtotal	(278.3)
= Budget Reserve Fund Balance	2,227.3

Special Transportation Fund Summary

In Millions of Dollars

Summary	FY 20
Budgeted Surplus	13.1
Revenue Changes	
+ Oil Companies	(77.4)
+ Sales and Use Tax	(27.1)
+ Motor Fuels Tax	(24.7)
+ Net Revenue	(28.3)
Revenue Subtotal	(157.5)
Expenditure Changes	
+ Net Lapses	45.4
+ Agency Deficiencies	0.0
Expenditure Subtotal	45.4
= Surplus/(Deficit)	(99.0)
STF Starting Balance	320.1
+ Surplus/(Deficit)	(99.0)
= Fund Balance	221.1

For further information, please see the links below:

[Revenue Details Table](#)

[Expenditure Details Table](#)

[Budget Status Page](#)