



Office of Fiscal Analysis

FY 21 BUDGET PROJECTIONS

February 25, 2021

PROJECTIONS IMPROVE SLIGHTLY

The Office of Fiscal Analysis projects a General Fund surplus of \$187.7 million and a Volatility Adjustment transfer of \$355.1 million for a total of \$542.8 million that may be deposited into the Budget Reserve Fund and used to reduce unfunded pension liabilities.¹ The Office of Fiscal Analysis also projects a Special Transportation Fund deficit of \$54.5 million, which would reduce the cumulative balance of that fund to \$113.9 million. Relative to [last month](#), projections have improved by \$8.4 million and \$1 million in the General and Special Transportation funds, respectively.

Updates

General and Special Transportation Fund revenue projections remain unchanged since January Consensus Revenue estimates were made.

In the General Fund, projected expenditures are revised downward by \$8.4 million (net) in total. Reflecting claims to date, the projection of Adjudicated Claims line-item expenditures is adjusted upwards by \$10 million. Expenditure trends are flatter than anticipated in statewide fringe benefit line items within the Office of the State Comptroller, resulting in a downwards adjustment to expenditure projections of \$16.9 million in total. Several other relatively minor adjustments make up the balance of the \$8.4 million total adjustment.

Special Transportation Fund spending in the Department of Motor Vehicle's Personal Services line item is adjusted downward by \$1 million to reflect current spending trends.

Overview

In Millions of Dollars

	Budget*	February Estimate	Difference from Budget
General Fund			
Revenues	20,252.5	19,761.7	(490.8)
Expenditures	20,086.3	19,574.0	(512.3)
Surplus/(Deficit)	166.2	187.7	21.5
Budget Reserve Fund			
Budget Reserve Deposit	467.7	542.8	75.1
Budget Reserve Balance	3,480.7	3,555.7	75.1
Special Transportation Fund			
Revenues	1,880.8	1,690.7	(190.1)
Expenditures	1,816.3	1,745.2	(71.1)
Surplus/(Deficit)	64.5	(54.5)	(119.0)
Fund Balance	232.9	113.9	(119.0)

* Includes revisions from PA 19-165 and PA 19-1 December Special Session

¹ See OLR [Issue Brief 2020-R-0291](#) for background.

General Fund Summary

In Millions of Dollars

Summary	FY 21
Budgeted Surplus	166.2
Revenue Changes	
+ Withholding	(252.9)
+ Corporations	(122.5)
- Refunds of Taxes	(287.6)
+ Net Revenue	172.2
Revenue Subtotal	(490.8)
Expenditure Changes	
+ Agency Deficiencies	(120.6)
+ Net Lapses	632.8
Expenditure Subtotal	512.3
= Surplus/(Deficit)	187.7
Budget Reserve Fund Starting Balance	3,012.9
+ Surplus/(Deficit)	187.7
+ Volatility Adjustment	355.1
= Budget Reserve Transfer Subtotal	542.8
= Budget Reserve Fund Balance	3,555.7

Special Transportation Fund Summary

In Millions of Dollars

Summary	FY 21
Budgeted Surplus*	64.5
Revenue Changes	
+ Oil Companies	(126.7)
+ Motor Fuels Tax	(37.7)
+ Motor Vehicle Receipts	27.0
+ Net Revenue	(52.7)
Revenue Subtotal	(190.1)
Expenditure Changes	
+ Net Lapses	71.1
+ Agency Deficiencies	0.0
Expenditure Subtotal	71.1
= Surplus/(Deficit)	(54.5)
STF Starting Balance	168.4
+ Surplus/(Deficit)	(54.5)
= Fund Balance	113.9

* Includes PA 19-165 revision

For further information, please see the links below:

[Revenue Details Table](#)[Expenditure Details Table](#)[Budget Status Page](#)