

**Office of Fiscal Analysis** 

FY 18 GENERAL FUND BUDGET PROJECTION

## Summary

We are projecting an FY 18 deficit of \$162.6 million once the transfer (volatility adjustment) of \$664.9 million from the General Fund to the Budget Reserve Fund is taken into account.

## Highlights

Positive year-to-date variance in the Withholding portion of Income Tax is recognized in the amount of \$53 million. However, Corporation Tax collections in March (when Q1 2018 payments were due) missed its target by \$47 million. The net positive revenue variance of \$6 million is almost entirely offset by increased spending projections primarily a \$3.9 million increase in

Figure 1. General Fund Overview
In Millions of Dollars

	Budget March Estimate		Difference from Budget	
		Loumate	\$	%
Revenues	18,739.3	18,503.4	(235.9)	-1.3%
Expenditures	<u>18,690.1</u>	<u>18,666.0</u>	<u>(24.1)</u>	<u>-0.1%</u>
Surplus/(Deficit)	49.2	(162.6)	(211.8)	-1.1%

**Budgeted Surplus** 

projections, primarily a \$3.9 million increase in the Adjudicated Claims line item.

Uncertainty remains over whether or not an estimated \$30.3 million in SEBAC labor savings in other appropriated funds will be allocated to the General Fund in FY 18. If a mechanism is not enacted to transmit these FY 18 savings to the General Fund in accordance with the budget, then the estimated \$162.6 million General Fund deficit indicated above would increase to \$192.9 million.



In Millions of Dollars 200.0 Net Other Revenue 29.2 150.0 Inheritence & Estate 50.0 100.0 Net Lapse 50.0 71.9 0.0 (50.0)**Federal Grants** (198.5)(100.0)(150.0)(200.0)**Deficient Agencies** (250.0) (74.6) Sales Tax (300.0) (69.6) (350.0)Corporation Tax (47.0) (400.0)

Positive Adjustments	
Net Other Revenue	29.2
Inheritance and Estate	50.0
Net Lapse	<u>98.7</u>
Subtotal	177.9
Negative Adjustments	
Federal Grants	(198.5)
Sales Tax	(69.6)
Deficient Agencies	(66.0)
Corporation Tax	(47.0)
Subtotal	(389.7)
Surplus/(Deficit)	(162.6)

## Links

Deficient Agency Table Expenditure Details Table Revenue Details Table 49.2