

Office of Fiscal Analysis

FY 18 GENERAL FUND BUDGET PROJECTION

Summary

We are projecting an FY 18 deficit of \$720.9 million once the volatility adjustment is taken into account.

Highlights

The revised FY 19 Budget authorizes a total carry forward of approximately \$341.7 million from FY 18 to FY 19. Carry forwards maintain the authority to spend appropriations after the end of the fiscal year in which the initial appropriations were made. Absent carry forwards, these funds would have lapsed in FY 18 and thus positively impacted the year-end operating balance of the General Fund.

	Budget	May Estimate	Difference from Budget	
			\$	%
Revenues	18,739.3	18,051.6	(687.7)	-3.7%
Expenditures	<u>18,690.1</u>	<u>18,772.5</u>	82.4	<u>0.4%</u>
Surplus/(Deficit)	49.2	(720.9)	(770.1)	-4.1%

Figure 1. General Fund Overview

In Millions of Dollars

Once the \$1,290 million volatility adjustment, current year deficit and \$16.1 million direct transfer from the Budget Reserve Fund to the Retired Teachers' Health Service Fund are taken into account, the balance of the Budget Reserve Fund is expected to improve by \$553 million to approximately \$765.9 million, which is equal to 4.03% of the revised FY 19 General Fund budget.

Figure 2. Major Items Contributing to Surplus/ (Deficit)

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500.0	In Millions of Dollars
	Inheritence & Estate 50.0
300.0	Withholding 98.5
100.0	Net Lapse 299.1
(100.0)	
(300.0)	Federal Grants (622.0)
(500.0)	
(700.0)	Budgeted Carryforward
(900.0)	(341.7)
	Refunds of Taxes (90.0)
(1100.0)	Sales Tax (69.6)
	Corporation Tax (65.1) Deficient Agencies (39.8)
(1300.0)	

Budgeted Surplus 49.2 **Positive Adjustments** Net Other Revenue 10.5 Inheritance and Estate 50.0 Withholding 98.5 Net Lapse 299.1 Subtotal 458.1 **Negative Adjustments Federal Grants** (622.0)**Budgeted Carryforward** (341.7)**Refunds of Taxes** (90.0)Sales Tax (69.6) **Corporation Tax** (65.1)**Deficient Agencies** (39.8)**Subtotal** (1,228.2)Surplus/(Deficit) (720.9)

Links

<u>Deficient Agency Table</u> <u>Expenditure Details Table</u> <u>Revenue Details Table</u>