Section VI. Out Year Projections

GENERAL FUND

The General Fund is projected to have negative balances, after the enactment of the FY 27 Revised Budget, in the three fiscal years following FY 27.

Factoring in both revenue and expenditure changes that were enacted in the FY 27 Revised Budget results in a decline in General Fund balances to -$189.9 million in FY 28, -$232.4 million in FY 29, and -$112.9 million in FY 30. (See **Table 1.13** for details.)

Figure 1.12 General Fund Projected Deficits
In Millions of Dollars

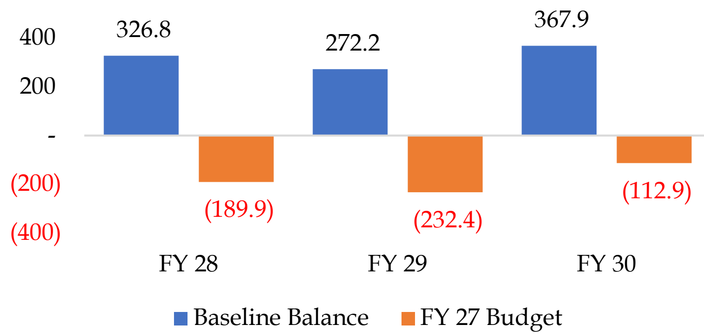

Table 1.13 Projected Budget Policy Impacts to General Fund Balance
In Millions of Dollars

Description	FY 28	FY 29	FY 30
Baseline Balance	**326.8**	**272.2**	**367.9**
Revenue Adjustments Total	**(1,003.9)**	**(991.8)**	**(968.0)**
Reduce and Transfer Hospital Tax Off-Budget	(1,220.0)	(1,245.0)	(1,270.0)
Federal Match on Hospital Payments	186.3	217.2	249.5
Decouple from Federal P.L. 119-21 Related to (1) Bonus Depreciation for Qualified Production Properties and (2) Research and Experimentation Expenditures	70.2	75.2	90.3
All Other Net	(40.4)	(39.2)	(37.8)
Appropriations Adjustments Total	**(487.3)**	**(487.3)**	**(487.3)**
Rollout FY 27 Budget Policies	(489.1)	(489.1)	(489.1)
All Other Net	0.1	0.1	0.1
Budget Adjustments Total	**(516.6)**	**(504.5)**	**(480.7)**
BUDGET BALANCE	**(189.9)**	**(232.4)**	**(112.9)**

Revenue

The FY 27 Revised Budget includes various policy changes that continue into the out years. Most significantly, over $1.2 billion in hospital tax collections are shifted off budget to the newly established Hospital Supplemental Payment account annually.

Additionally, the federal match on hospital payments will result in a total estimated revenue gain of $936.1 million in FY 28 – FY 31 combined.[4] All other revenue policies in the out years will result in a total revenue gain of $176.1 million over this same time frame.

For a comprehensive listing and detailed information of all policies, please see the revenue impact of policy changes table and revenue budget sheets in **Part III. Revenue**.

[4] This policy change requires federal approval via the Centers for Medicare and Medicaid Services (CMS) to be fully implemented.

Appropriations

The FY 27 Revised Budget includes a reduction of $489.1 million in net policy changes that "roll forward" and are incorporated into the base estimates for FY 28 - FY 30. The most significant change in the FY 27 Revised Budget is the transfer of $963.3 million in hospital supplemental payments from the General Fund to a newly created, non-appropriated Hospital Supplemental Payment account. More details about major policy changes can be found in **Section IV. Major Policy Changes**.

SPECIAL TRANSPORTATION FUND

The FY 27 Revised Budget results in a projected operating surplus of $214.6 million in FY 27 followed by escalating deficits beginning in FY 28. These operating deficits are projected to lead to fund insolvency by the end of FY 30 (see **Table 1.14**).

The relatively large FY 27 surplus is buttressed by two one-time factors: (1) a $100 million resource transfer from FY 26 to FY 27 and (2) a sharp rise in oil prices that began in March 2026 and led to upward revisions in Oil Companies tax revenues in both FY 26 and FY 27. Beginning in FY 28, operating results are anticipated to drop sharply as long-running structural issues reemerge, namely expenditure growth outpacing revenue growth. Outyear expenditure growth is projected to average 5.4% per year, driven almost entirely by debt service and public transportation operating expenses (i.e., bus and rail). Conversely, projected revenue growth is net negative, averaging -1.9% per year over that same period, due to both the non-recurrence of the inter-year transfer and falling oil prices.

Table 1.14 Special Transportation Fund Projections
In Millions of Dollars

	FY 26	FY 27	FY 28	FY 29	FY 30
Starting Balance	412.4	431.0	461.8	312.3	47.9
Anticipated Expenditures	2,270.5	2,410.0	2,565.6	2,690.9	2,820.0
Revenue	2,289.1	2,624.6	2,416.1	2,426.5	2,468.0
Operating Surplus/ (Deficit)	**18.6**	**214.6**	**(149.5)**	**(264.4)**	**(352.0)**
STF Debt Paydown	-	(183.4)	-	-	-
ENDING BALANCE	**431.0**	**461.8**	**312.3**	**47.9**	**(304.1)**
Debt Service Ratio	2.6	2.7	2.3	2.2	2.1
STO Issuance	1,200	1,100	1,100	1,100	1,100

Major Policies Affecting Transportation

Inter-year Resource Transfer to Support Balance

The budget act transfers $100 million in FY 26 resources into FY 27 to be credited as revenue. This action reduces the anticipated FY 26 year-end balance to just under 18% of FY 27 appropriations, which effectively delays the use of those funds to pay down STF-supported debt by one year absent a further continuation into FY 28.