



Office of Fiscal Analysis

FY 24 BUDGET PROJECTIONS

April 30, 2024

\$1.4 BILLION TO BUDGET RESERVE FUND / REDUCE UNFUNDED PENSIONS DEBT

The Office of Fiscal Analysis projects operating surpluses within the General and Special Transportation funds of \$270.4 million and \$280.9 million, respectively. Relative to [last month's projections](#), the projected operating surplus in the General Fund has increased by \$245 million and the projected operating surplus in the Special Transportation Fund has increased by \$26.3 million. In the General Fund, projected expenditures have increased slightly (\$2.6 million overall) and revenue projections have increased by \$247.6 million. In the Special Transportation Fund, expenditure projections are down \$5.9 million and net revenue projections overall have increased by \$20.4 million.

In addition to the \$270.4 million projected operating surplus in the General Fund, a volatility adjustment transfer of \$1,123.5 is projected for a total of \$1,393.9 million to be made available to support the Budget Reserve Fund and reduce unfunded pensions liabilities. Pursuant to PA 23-1, the total amount would be distributed approximately as follows: 1) \$749.5 million to the Budget Reserve Fund; and 2) \$644.4 million to reduce unfunded pensions liabilities. Under this projection, the Budget Reserve Fund would rise to approximately \$4.065 billion or 17.8% of the FY 25 net total General Fund appropriation.

Major revenue adjustments

The largest two revenue adjustments impacting the operating budget surplus projection of the General Fund are the following: 1) a \$100 million upward adjustment to the withholding portion of the personal income tax to reflect ongoing relative strength in collections (6.4% this fiscal year); and 2) a \$106.2 million upward adjustment in federal funds primarily due to prior-period adjustments (approximately \$75 million related to Disproportionate Share Hospital) and a shift in revenue due to finalization awards.

Projections of the revenue streams governed by the volatility adjustment transfer (estimates and finals portion of the personal income tax and pass-through entity tax) are revised upward by \$645 million in total in this month's projection, based on collections trends through April 26th. Under this projection, the entirety of the upward revision in these revenue streams would act to increase the volatility adjustment transfer.

Overview

In Millions of Dollars

General Fund	Budget	April Estimate	Difference from Budget
Revenues	22,505.3	22,613.5	108.2
Expenditures	22,105.6	22,343.1	237.5
Surplus/(Deficit)	399.7	270.4	(129.3)
Budget Reserve Fund			
Budget Reserve Deposit	1,082.9	1,393.9	311.0
Budget Reserve Balance	6,273.3	6,584.3	311.0
Special Transportation Fund			
Revenues	2,352.6	2,404.5	51.9
Expenditures	2,148.4	2,123.6	(24.8)
Surplus/(Deficit)	204.2	280.9	76.7
Fund Balance	874.2	950.9	76.7

General Fund Summary

In Millions of Dollars

Summary	FY 24
Budgeted Balance	399.7
Revenue Changes	
+ Withholding	252.9
+ Estimates and Finals	355.1
+ Sales and Use	(320.0)
+ Federal Grants	204.4
+ Net Revenue	(384.2)
Revenue Subtotal	108.2
Expenditure Changes	
+ Agency Deficiencies	(310.6)
+ Net Lapses	73.2
Expenditure Subtotal	(237.5)
= Surplus/(Deficit)	270.4
Budget Reserve Fund Starting Balance	5,190.4
+ Surplus/(Deficit)	270.4
+ Volatility Adjustment	1,123.5
= Budget Reserve Transfer Subtotal	1,393.9
= Budget Reserve Fund Balance	6,584.3

Special Transportation Fund Summary

In Millions of Dollars

Summary	FY 24
Budgeted Surplus	204.2
Revenue	
+ Motor Vehicle Receipts	24.8
+ Licenses, Permits & Fees	17.5
+ Highway Use Tax	(30.0)
+ Net Revenue	39.6
Revenue Subtotal	51.9
Expenditures	
+ Agency Deficiencies	(5.4)
+ Net Lapses	30.2
Expenditure Subtotal	24.8
= Surplus/(Deficit)	280.9
STF Starting Balance	670.0
+ Surplus/(Deficit)	280.9
= Fund Balance	950.9

For further information, please see the links below:

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