



# Office of Fiscal Analysis

FY 21 BUDGET PROJECTIONS

June 25, 2021

## BUDGET SURPLUSES OF \$292 MILLION PROJECTED

The Office of Fiscal Analysis projects a General Fund surplus of \$260.4 million for FY 21 and a Volatility Adjustment transfer of \$1,255.1 million for a total of approximately \$1,515.5 million that may be deposited into the Budget Reserve Fund and used to reduce unfunded pension liabilities.<sup>1</sup> The Office of Fiscal Analysis also projects a Special Transportation Fund surplus of \$31.6 million, which would increase the cumulative balance of that fund to \$200 million. These projections account for policies put into place pursuant to the recently enacted FY 22 – FY 23 Budget.

### General Fund

General Fund collections in FY 21 continue exceeding expectations with significant improvements to the Estimated and Finals payments portion of the Personal Income Tax, Pass-through Entity Tax and Corporations Tax. Additionally, Refunds of Taxes are less than anticipated in the current fiscal year. No adjustments are made in this monthly projection for Sales and Use Tax, although our outlook is positive. FY 21 revenues will continue to accrue in the Sales and Use Tax revenue category (as well as others) through early August.

The enacted FY 22 – FY 23 Budget carries forward \$494.2 million of spending authorizations from FY 21 into FY 22; these funds would otherwise have lapsed and added to the projected \$260.4 million General Fund surplus in FY 21.

### Special Transportation Fund

The projected FY 21 surplus in the Special Transportation Fund has improved by \$10.2 million since last month's [statement](#). Revenue projections have improved by \$13.9 million, which is partially offset by adjustments to spending projections.

### Overview

In Millions of Dollars

General Fund	Budget*	June Estimate	Difference from Budget
Revenues	20,252.5	20,268.9	16.4
Expenditures	20,086.3	20,008.5	(77.8)
<b>Surplus/(Deficit)</b>	<b>166.2</b>	<b>260.4</b>	<b>94.2</b>
<b>Budget Reserve Fund</b>			
Budget Reserve Deposit	467.7	1,515.5	1,047.8
<b>Budget Reserve Balance</b>	<b>3,480.7</b>	<b>4,528.5</b>	<b>1,047.8</b>
<b>Special Transportation Fund</b>			
Revenues	1,880.8	1,745.4	(135.4)
Expenditures	1,816.3	1,713.8	(102.6)
<b>Surplus/(Deficit)</b>	<b>64.5</b>	<b>31.6</b>	<b>(32.8)</b>
<b>Fund Balance</b>	<b>232.9</b>	<b>200.0</b>	<b>(32.8)</b>

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

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

**General Fund Summary**

In Millions of Dollars

Summary	FY 21
<b>Budgeted Surplus</b>	<b>166.2</b>
<b>Revenue Changes</b>	
+ Withholding	(52.9)
+ Corporations	57.5
- Refunds of Taxes	(397.6)
+ Sales and Use	98.4
+ Real Estate Conveyance	135.0
+ Inheritance and Estate	161.3
+ Net Revenue	14.7
<b>Revenue Subtotal</b>	<b>16.4</b>
<b>Expenditure Changes</b>	
+ Agency Deficiencies	(85.8)
+ Net Lapses	163.6
<b>Expenditure Subtotal</b>	<b>77.8</b>
<b>= Surplus/(Deficit)</b>	<b>260.4</b>
<b>Budget Reserve Fund Starting Balance</b>	<b>3,012.9</b>
+ Surplus/(Deficit)	260.4
+ Volatility Adjustment	1,255.1
<b>= Budget Reserve Transfer Subtotal</b>	<b>1,515.5</b>
<b>= Budget Reserve Fund Balance</b>	<b>4,528.5</b>

**Special Transportation Fund Summary**

In Millions of Dollars

Summary	FY 21
<b>Budgeted Surplus</b>	<b>64.5</b>
<b>Revenue</b>	
+ Oil Companies	(103.4)
+ Interest Income	(34.4)
+ Motor Fuels Tax	(33.7)
+ Motor Vehicle Receipts	19.5
+ Sales Tax	2.0
+ Net Revenue	14.6
<b>Revenue Subtotal</b>	<b>(135.4)</b>
<b>Expenditures</b>	
+ Net Lapses	102.6
+ Agency Deficiencies	0.0
<b>Expenditure Subtotal</b>	<b>102.6</b>
<b>= Surplus/(Deficit)</b>	<b>31.6</b>
<b>STF Starting Balance</b>	<b>168.4</b>
+ Surplus/(Deficit)	31.6
<b>= Fund Balance</b>	<b>200.0</b>

For further information, please see the links below:

[Revenue Details Table](#)

[Expenditure Details Table](#)

[Budget Status Page](#)