



# Office of Fiscal Analysis

FY 23 BUDGET PROJECTIONS

May 1, 2023

## GENERAL FUND SURPLUS GROWS / VOLATILITY TRANSFER SHRINKS

The Office of Fiscal Analysis projects a FY 23 General Fund operating surplus of \$1,557.8 million and a volatility adjustment transfer of \$1,347.5 million to the Budget Reserve Fund.

The projected operating surplus has grown by \$156.4 million over [last month's projection](#). This growth is the net result of two factors: (1) revenue projections net of the volatility adjustment transfer have improved by \$165.1 million, while (2) projected expenditures have increased by \$8.7 million. An adjustment of \$135 million in total between the corporation tax and sales and use tax comprises the bulk of positive revenue adjustments in this statement and reflects ongoing strength in collections this fiscal year.

In contrast, revenue streams governed by the volatility cap<sup>1</sup> are projected to fall short of budget by approximately 9% or \$500 million in total. As a result, the projected FY 23 volatility adjustment transfer is reduced from \$1,847.5 million to \$1,347.5 million.

A projected FY 23 operating surplus of \$265.1 million in the Special Transportation Fund would increase that fund's cumulative balance to \$662.9 million. The projected operating surplus has increased by \$12.7 million since last month's projection as spending is revised downwards by \$3 million and net revenue projections are increased by \$9.7 million. The positive adjustment to the projection of sales and use tax revenues is the largest single adjustment at \$12.5 million.

### Overview

In Millions of Dollars

General Fund	Budget	May 1 Estimate	Difference from Budget
Revenues	22,388.2	23,444.6	1,056.4
Expenditures	22,089.2	21,886.8	(202.3)
<b>Surplus/(Deficit)</b>	<b>299.0</b>	<b>1,557.8</b>	<b>1,258.7</b>
<b>Budget Reserve Fund</b>			
Budget Reserve Deposit	2,146.5	2,905.3	758.7
<b>Budget Reserve Balance</b>	<b>5,459.9</b>	<b>6,218.7</b>	<b>758.7</b>
<b>Special Transportation Fund</b>			
Revenues	2,091.9	2,067.2	(24.7)
Expenditures	1,826.2	1,802.1	(24.1)
<b>Surplus/(Deficit)</b>	<b>265.7</b>	<b>265.1</b>	<b>(0.6)</b>
<b>Fund Balance</b>	<b>663.5</b>	<b>662.9</b>	<b>(0.6)</b>

<sup>1</sup> The estimates and finals portion of the personal income tax and the pass-through entity tax.

**General Fund Summary**

In Millions of Dollars

Summary	FY 23
<b>Budgeted Surplus</b>	<b>299.0</b>
<b>Revenue Changes</b>	
+ Estimates and Finals	(560.0)
+ Volatility Cap Adjustment	500.0
+ Sales and Use	315.0
+ Corporations	187.5
+ Net Revenue	613.9
<b>Revenue Subtotal</b>	<b>1,056.4</b>
<b>Expenditure Changes</b>	
+ Agency Deficiencies	(71.6)
+ Net Lapses	273.9
<b>Expenditure Subtotal</b>	<b>202.3</b>
<b>= Surplus/(Deficit)</b>	<b>1,557.8</b>
<b>Budget Reserve Fund Starting Balance</b>	<b>3,313.4</b>
+ Surplus/(Deficit)	1,557.8
+ Volatility Adjustment	1,347.5
<b>= Budget Reserve Transfer Subtotal</b>	<b>2,905.3</b>
<b>= Budget Reserve Fund Balance</b>	<b>6,218.7</b>

**Special Transportation Fund Summary**

In Millions of Dollars

Summary	FY 23
<b>Budgeted Surplus</b>	<b>265.7</b>
<b>Revenue Changes</b>	
+ Motor Fuels Tax	(90.0)
+ Interest Income	58.3
+ Sales and Use Tax	38.5
+ Net Revenue	(31.5)
<b>Revenue Subtotal</b>	<b>(24.7)</b>
<b>Expenditure Changes</b>	
+ Net Lapses	28.6
+ Agency Deficiencies	(4.5)
<b>Expenditure Subtotal</b>	<b>24.1</b>
<b>= Surplus/(Deficit)</b>	<b>265.1</b>
<b>STF Starting Balance</b>	<b>397.8</b>
+ Surplus/(Deficit)	265.1
<b>= Fund Balance</b>	<b>662.9</b>

For further information, please see the links below:

[Revenue Details Table](#)

[Expenditure Details Table](#)

[Budget Status Page](#)