Budget

Forecast



Title 5, §1665, requires the State Budget Officer to prepare a four year revenue and expenditure forecast for the General Fund and the Highway Fund. In accordance with Title 5 §1665, subsection

7, the forecast assumes the continuation of current laws and includes reasonable and predictable estimates of growth in revenues and expenditures based on national and local trends and program operations. On September 30, 2012, the Bureau of the Budget issued its updated four year budget forecast for fiscal years 2011-12 through 2014-15.

In order to provide the most accurate expenditure estimate, legislatively approved appropriations and allocations through the end of the Second Regular Session of the 125th Legislature were used as the starting point for the forecast. The authorized budget for fiscal year 2012-13, recalculated to reflect authorized positions and projected rates for personnel services, and adjusted by program for one-time expenditures and the phase-in of new operations, was used to determine the baseline expenditure forecast for fiscal years 2013-14 and 2014-15. This was further adjusted to reflect program-by-program expenditure growth or decline that varied from the baseline growth

assumptions, resulting from programmatic factors such as caseload, national trends, etc.

As reflected in **Table C – 1** , the adjusted fund balance for the General Fund was $42,312,849 at

the end of fiscal year 2011-12, and was projected to be ($41,929,455) at the end of fiscal year 2012-

13. The Revenue Forecasting Committee (RFC) in its December 2011 report re-projected revenues downward by $91.8 million for the 2014-2015 biennium. Then in March 2012 the RFC decreased its revenue projections by $31.4 million and in the April 2012 Special Forecast, increased its revenue projections by $52.4 million, resulting in a net overall revenue decrease of $70.8 million for the 2014-2015 biennium. Projected General Fund appropriations for the 2014-2015 biennium were $6,807,012,211, resulting in a structural budget gap of $755,518,709.

As reflected in **Table C – 2**, the adjusted fund balance for the Highway Fund was $45,283 at the end of fiscal year 2011-12, and was projected to be $76,984 at the end of fiscal year 2012-13. The Revenue Forecasting Committee (RFC) in its December 2011 report re-projected revenues upward by $5.3 million for the 2014-2015 biennium. The RFC in March 2012 increased its revenue projections by $3.6 million and the RFC in the April 2012 Special Forecast decreased its revenue projections by $6.4 million, resulting in a net overall revenue increase of $2.5 for the 2014-

2015 biennium. Projected Highway Fund allocations for the 2014-2015 biennium were

$972,307,372, resulting in a projected structural budget gap of $330,468,721.

**TABLE C-1**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **GENERAL FUND STATUS**  **At the Beginning of the 2014-2015 Biennial Budget Process** | | | | | | |
|  | | | | | | |
|  | **FY 12-13 BIENNIUM** | | | **FY 14-15 BIENNIUM** | | |
| **FY 12** | **FY 13**  **BUDGETED** | **TOTAL** | **FY 14** | **FY 15** | **TOTAL** |
| **BALANCE ADJUSTMENTS**  **REVENUE** | 24,019,140  158,058,867  2,995,444,736 | (95,327,707)  3,056,234,628 | 24,019,140  62,731,160  6,051,679,364 | 383,394  2,972,636,157 | 3,078,473,951 | 383,394  6,051,110,108 |
| **TOTAL SOURCES** | **3,177,522,743** | **2,960,906,921** | **6,138,429,664** | **2,973,019,551** | **3,078,473,951** | **6,051,493,502** |
| **ADJUSTMENTS APPROPRIATIONS** | 16,552,303  3,118,657,591 | (48,832,707)  3,051,669,083 | -32,280,404  6,170,326,674 | 3,373,542,778 | 3,433,469,433 | 6,807,012,211 |
| **TOTAL USES** | 3,135,209,894 | 3,002,836,376 | 6,138,046,270 | 3,373,542,778 | 3,433,469,433 | 6,807,012,211 |
| **BALANCE AT END OF SECOND REGULAR SESSION 125TH LEGISLATURE** | **42,312,849** | **(41,929,455)** | **383,394** | **(400,523,227)** | **(354,995,482)** | **(755,518,709)** |
| Source: Revenue and Expenditure Projection General Fund and Highway Fund Fiscal Years 2012-2015 | | | | | | |

**TABLE C-2**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **HIGHWAY FUND STATUS**  **At the Beginning of the 2014-2015 Biennial Budget Process** | | | | | | | |
|  | | | | | | | |
|  | | **FY 12-13 BIENNIUM** | | | **FY 14-15 BIENNIUM** | | |
| **FY 12** | **FY 13**  **BUDGETED** | **TOTAL** | **FY 14** | **FY 15** | **TOTAL** |
| **BALANCE ADJUSTMENTS REVENUE** | | 2,584,922  1,409,045  314,971,527 | 45,283 (5,419,451)  316,679,543 | 2,630,205 (4,010,406)  631,651,070 | 122,267  319,761,131 | 321,955,253 | 122,267  641,716,384 |
| **TOTAL RESOURCES ADJUSTMENTS ALLOCATIONS** | | **318,965,494**  6,538,834  312,381,377 | **311,305,375**  311,228,391 | **630,270,869**  6,538,834  623,609,768 | **319,883,398**  485,309,216 | **321,955,253**  486,998,156 | 641,838,651  972,307,372 |
| **PROJECTED BALANCE (SHORTFALL)** | | **45,283** | **76,984** | **122,267** | **(165,425,818)** | **(165,042,903)** | **(330,468,721)** |
| So | urce: Revenue and Expenditure Projection General Fund and Highway Fund Fiscal Years 2012-2015 | | | | | | |