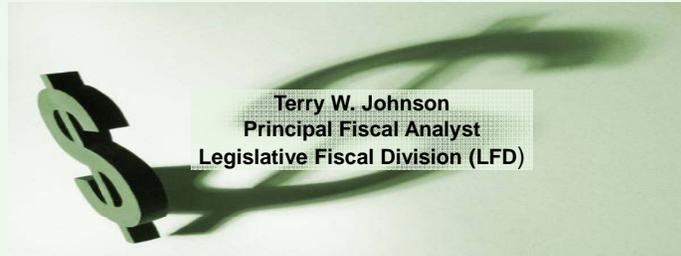




General Fund Update 2011 Biennium



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April 29, 2010

Revenue and Transportation Interim Committee

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Legislative Fiscal Division



Presentation Outline

- **Current Revenue Trends**
 - Individual Income Tax
 - Corporation Income Tax
- **Revised 2011 Biennium Ending Fund Balance**
- **2013 Biennium Projected Ending Fund Balance**
- **Summary**





Fiscal 2010 To Date Summary General Fund Revenue Comparison

- Through April 30th FY 2009 \$ 1,357.7 M
- Through April 28th FY 2010 \$ 1,108.9 M

- Current Change and Rate (10 months) \$ -248.8 M -18.3%
- HJ 2* Growth and Rate (Full Year) \$ -35.1 M -1.9%

* Legislature's Revenue Estimating Resolution + Legislation



Fiscal 2010 To Date Summary By Significant Revenue Category

General Fund Revenue Collections Ten Month Comparison - FY 2009 to FY 2010		
Category	Change In Millions	Percent Change
Individual Income Tax	(\$133.1)	-19.48%
Corporation Income Tax	(67.5)	-53.63%
Oil & Gas Production Tax	(19.5)	-30.05%
Vehicle Fees/Taxes	(6.1)	-7.65%
TCA Interest	(11.5)	-84.76%
Video Gaming Tax	(7.3)	-15.58%
Remaining Sources	<u>(3.6)</u>	-1.06%
Total	(\$248.8)	-18.32%





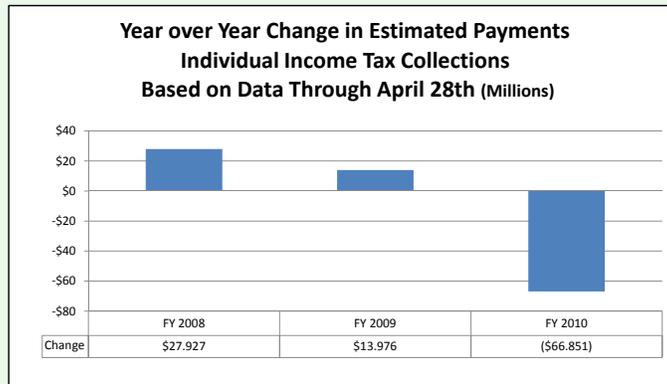
Individual Income Tax Comparison

Individual Income Tax Comparison				
Accounting Detail	Through April 28 FY 2009	Through April 28 FY 2010	Dollar Difference	Percent Difference
Withholding Tax	514,479,615.43	509,559,870.08	(4,919,745.35)	-0.96%
Estimated Payments	206,225,567.66	145,939,603.15	(60,285,964.51)	-29.23%
Current Year Payments	103,399,146.11	101,889,197.38	(1,509,948.73)	-1.46%
Refunds	(207,479,753.19)	(242,278,524.60)	(34,798,771.41)	16.77%
Audits	21,699,381.00	26,185,323.00	4,485,942.00	20.67%
Mineral Withholding	<u>13,896,629.95</u>	<u>8,818,269.62</u>	<u>(5,078,360.33)</u>	-36.54%
Totals	\$652,220,586.96	\$550,113,738.63	(\$102,106,848.33)	-15.66%

* FY 2009 Includes a large estimated payment received in January



Fiscal 2010 Summary Individual Income Tax Estimated Payments

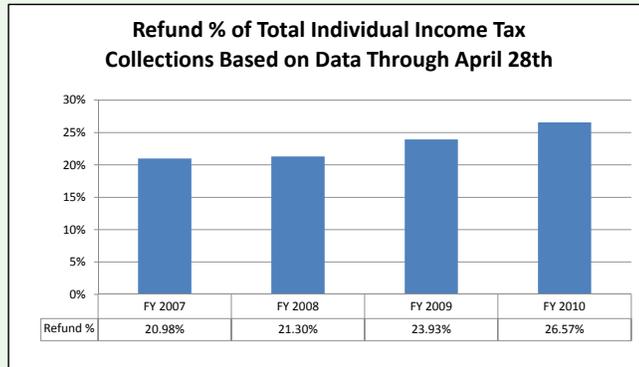


* FY 2009 Includes a large estimated payment received in January





Fiscal 2010 Summary Individual Income Tax Refund %



Corporation Income Tax Comparison

Corporation Income Tax Comparison				
Accounting Detail	Through April 28 FY 2009	Through April 28 FY 2010	Dollar Difference	Percent Difference
Current Year Payments	36,307,291.95	25,583,285.04	(10,724,006.91)	-29.54%
Estimated Payments	84,299,213.51	51,668,718.01	(32,630,495.50)	-38.71%
Refunds	(17,459,325.65)	(29,000,435.57)	(11,541,109.92)	66.10%
Audits	<u>18,561,450.00</u>	<u>10,132,337.00</u>	<u>(8,429,113.00)</u>	-45.41%
Total	\$121,708,629.81	\$58,383,904.48	(\$63,324,725.33)	-52.03%

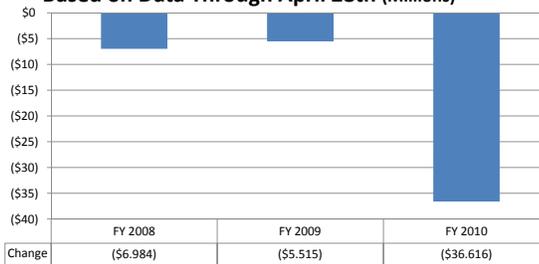




Fiscal 2010 Summary Corporation Income Tax Estimated Payments



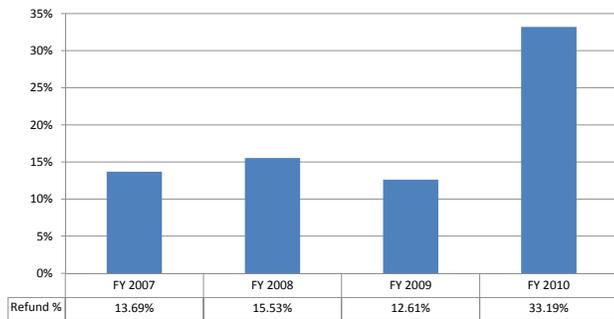
**Year over Year Change in Estimated Payments
Corporation Income Tax Collections
Based on Data Through April 28th (Millions)**



Fiscal 2010 Summary Corporation Income Tax Refund %

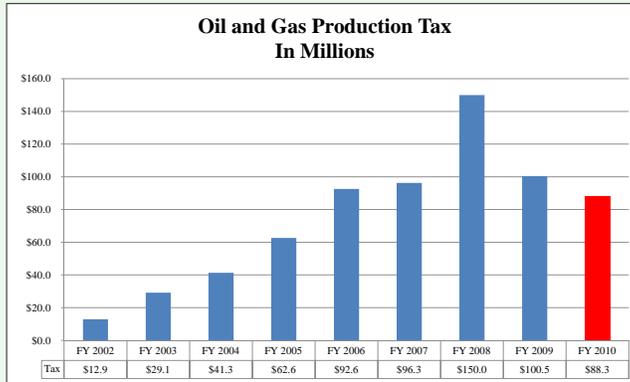


**Refund % of Total Corporation Income Tax Based
on Data Through April 28th**

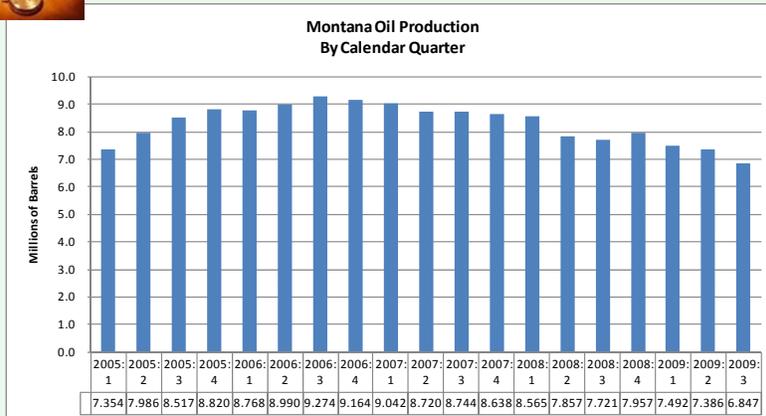




Oil and Gas Production Tax Trends

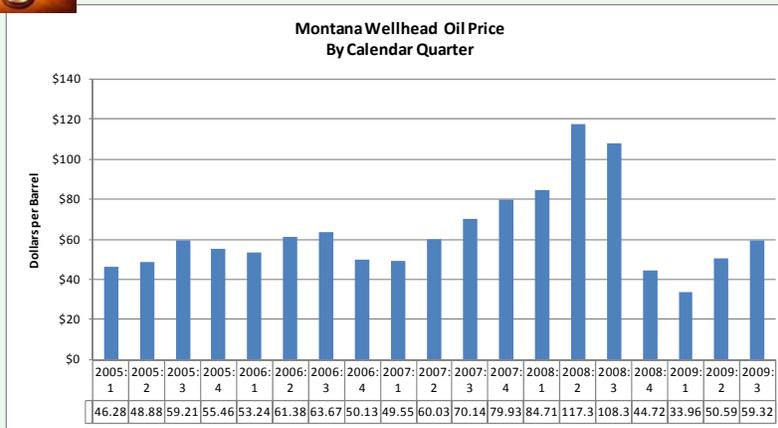


Fiscal 2010 Summary Oil Production Tax - Production





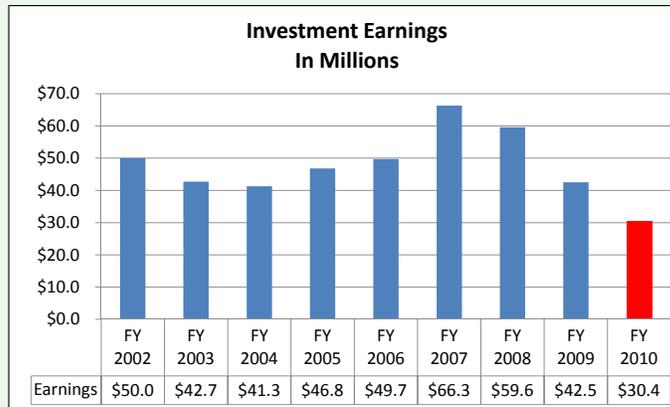
Fiscal 2010 Summary Oil Production Tax – Wellhead Price



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Investment Earning Trends



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Fiscal 2010 & FY 2011 Summary Estimated Revenue Changes

Estimated Revenue Changes From HJ 2 (Millions)			
Category	FY 2010	FY 2011	Biennium
Individual Income Tax	(\$118.1)	(\$95.0)	(\$213.1)
Corporation Income Tax	(58.2)	(52.7)	(110.9)
Oil & Gas Production Tax	21.3	12.3	33.6
TCA Interest	(4.5)	(6.4)	(10.9)
Video Gaming Tax	(11.5)	(11.1)	(22.6)
Vehicle Fees/Taxes	(7.0)	(4.8)	(11.8)
Remaining Sources	(4.1)	(10.1)	(14.2)
Current Estimate	(\$182.1)	(\$167.8)	(\$349.9)
February Estimate	(\$182.1)	(\$167.8)	(\$349.9)
Change From February Estimate	\$0.0	\$0.0	\$0.0

*Not updated with current trends



2011 Biennium General Fund Revenue Impact on Legislative Projected Balance

2011 Biennium General Fund Outlook	
In Millions	
	Biennium
Legislative Projected Balance	\$282.4
FY 2009 Balance Change	5.0
Net Revenue Changes	(349.9)
Fund Balance Adjustments	(0.5)
Supplementals	?
New Projected Balance *	(\$63.0)

*Excludes Otter Creek, PPL and spending reductions as proposed by the Governor.
*Also excludes FMAP Extension and Transfers.



2011 Biennium General Fund Revenue Impact on Legislative Projected Balance



2011 Biennium General Fund Balance Progression As Issues Change



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2013 Biennium General Fund Projected Balance (Millions)



2013 Biennium General Fund Outlook	
In Millions	
	Biennium
Beginning Balance *	\$91.7
LFD Revenue Estimates	3,571.5
Present Law Services	(3,968.4)
Supplementals	?
Fund Balance Reserve	(\$100)
Potential Deficit	(\$405.2)
Budget Gap	(\$396.9)

*Includes Otter Creek and spending reductions as proposed by the Governor.
 *Excludes PPL, FMAP Extension and Transfers.

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General Fund Cash Balance



General Fund Cash Balance By Month - FY 2010

Period	Cash In Bank Monthly Change	Cash In Bank Cumulative	Cash Variations * Current Year Only
Beginning	446,407,475.56	446,407,475.56	
07/30/09	(6,614,483.38)	439,792,992.18	(6,614,483.38)
08/31/09	(74,152,696.93)	365,640,295.25	(80,767,180.31)
09/30/09	(41,150,783.45)	324,489,511.80	(121,917,963.76)
10/31/09	5,562,359.78	330,051,871.58	(116,355,603.98)
11/30/09	(92,094,829.66)	237,957,041.92	(208,450,433.64)
12/31/09	6,989,272.24	244,946,314.16	(201,461,161.40)
01/31/10	88,502,097.97	333,448,412.13	(112,959,063.43)
02/28/10	(54,953,076.58)	278,495,335.55	(167,912,140.01)
03/31/10	(68,328,633.38)	210,166,702.17	(236,240,773.39)
04/29/10	55,145,586.29	265,312,288.46	(181,095,187.10)

* Cash variation represents the net change in cash for the year without including the carryover cash balance. As of the today, the state general fund has expended \$181.1 million more than deposited as revenue.



Long-Term General Fund Outlook Considerations



- **Maintaining Structural Balance**
- **Maintaining An Adequate Ending Fund Balance**
- **Retirement System Funding**
- **Health Care Reform Impacts**
- **Loss of Federal Funds**
- **Aging Population Impacts**

