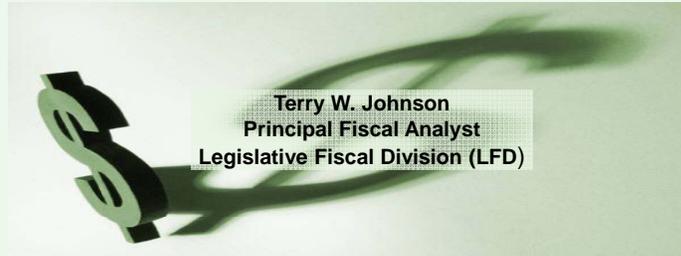




General Fund Update 2011 Biennium



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Economic Affairs 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**



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Fiscal 2010 To Date Summary General Fund Revenue Comparison



- Through April 30th FY 2009 \$ 1,357.7 M
- Through April 30th FY 2010 \$ 1,136.5 M

- Current Change and Rate (10 months) \$ -221.2 M -16.3%
- 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	(\$129.6)	-18.98%
Corporation Income Tax	(67.6)	-53.65%
Oil & Gas Production Tax	(19.5)	-30.05%
Vehicle Fees/Taxes	(6.1)	7.63%
TCA Interest	(11.5)	-84.76%
Video Gaming Tax	(7.3)	-15.56%
Remaining Sources	<u>20.5</u>	5.97%
Total	(\$221.2)	16.29%





Individual Income Tax Comparison

Individual Income Tax Comparison - FY 2009 to FY 2010				
Revenue Description	Through 4/30/2009 FY 2009	Through 4/30/2010 FY 2010	Dollar Change	Percent Change
Withholding	524,616,345	513,911,258	(10,705,087)	-2.04%
Mineral Withholding	14,280,899	11,044,972	(3,235,927)	-22.66%
Estimated Payments	212,790,367	146,529,076	(66,261,291)	-31.14%
Current Year Payments	124,694,646	102,405,165	(22,289,481)	-17.88%
Audit Revenue	21,699,381	26,185,323	4,485,942	20.67%
Refunds	<u>(214,895,160)</u>	<u>(246,526,966)</u>	<u>(31,631,806)</u>	<u>14.72%</u>
Total	\$683,186,478	\$553,548,828	(\$129,637,650)	-18.98%

* FY 2009 Includes a large estimated payment received in January



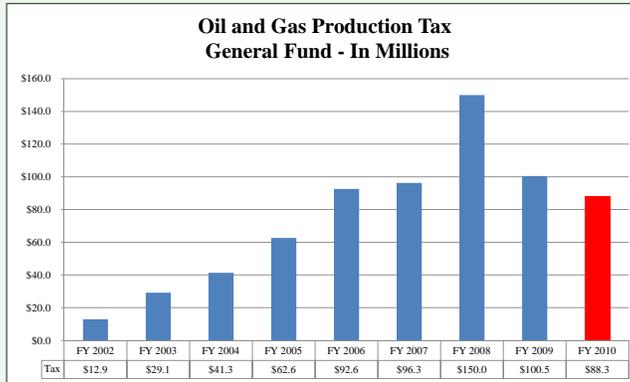
Corporation Income Tax Comparison

Corporation Income Tax Comparison - FY 2009 to FY 2010				
Revenue Description	Through 4/30/2009 FY 2009	Through 4/30/2010 FY 2010	Dollar Change	Percent Change
Current Year Payments	36,875,169	25,924,383	(10,950,786)	-29.70%
Estimated Payments	88,284,554	51,775,204	(36,509,350)	-41.35%
Audit Revenue	18,566,201	10,132,337	(8,433,864)	-45.43%
Refunds	<u>(17,803,648)</u>	<u>(29,460,955)</u>	<u>(11,657,307)</u>	<u>65.48%</u>
Total	\$125,922,276	\$58,370,969	(\$67,551,307)	-53.65%





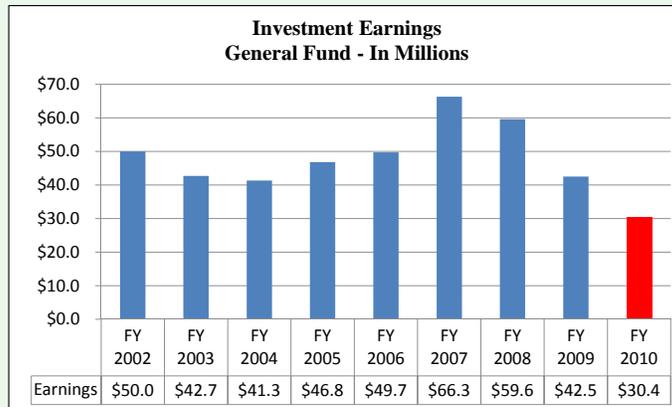
Oil and Gas Production Tax Trends



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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	Current Year			
	Trend	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



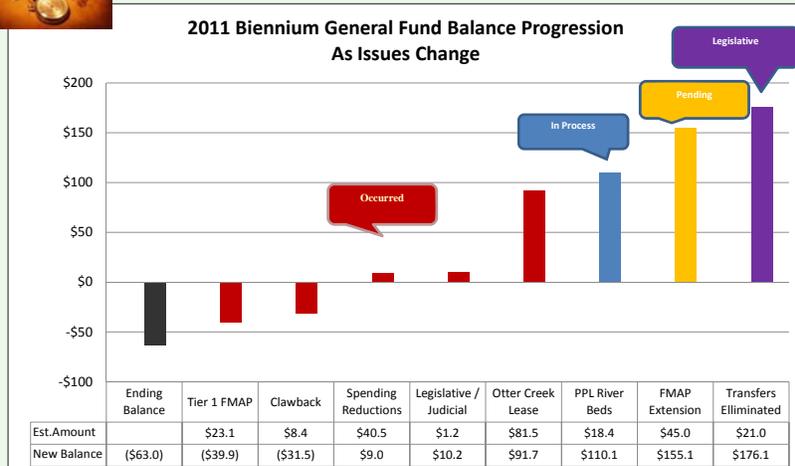
2011 Biennium General Fund Revenue Impact on Legislative Projected Balance

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



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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 Cap	(\$396.9)

*Includes Otter Creek, spending reductions as proposed by the Governor, and Legislative and Judicial spending reductions.

*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)
04/30/10	80,733,132.38	290,899,834.55	(155,507,641.01)
05/25/10	(115,470,648.97)	175,429,185.58	(270,978,289.98)

* 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 \$271 million more than deposited as revenue.



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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**



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Questions ?

