




State Budget and COVID-19 Relief Funding

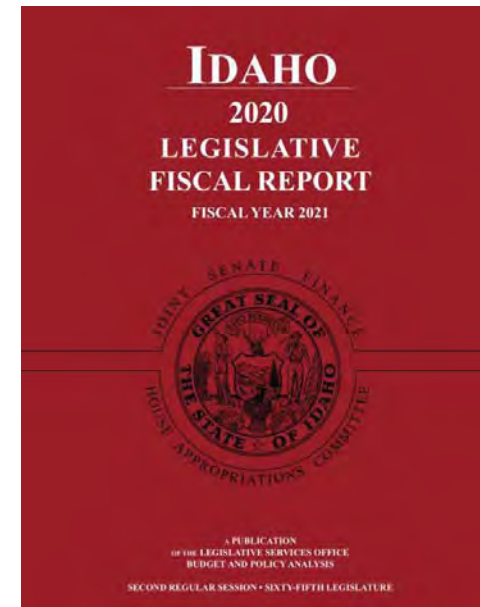
Alex J. Adams
DFM Administrator

Overview

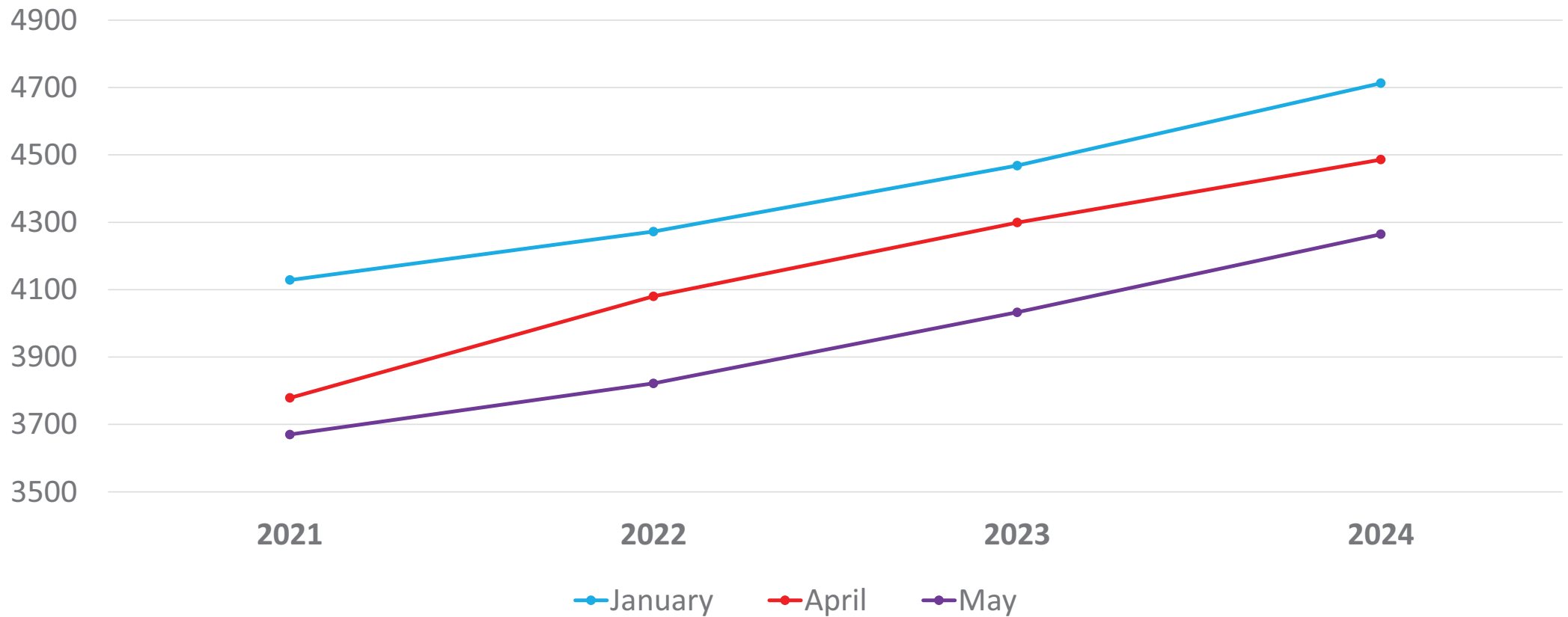
- Managing the Uncertainty of the FY 2021 Budget
 - Preparing for the FY 2022 Budget
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Fiscal Year 2021 General Fund

Estimated Beginning Balance	\$	55,614,100
Total Revenues	\$	4,117,853,000
Total Transfers	\$	(56,505,500)
FY 21 Appropriations	\$	(4,062,091,300)
Estimated Ending Balance	\$	54,870,300




Evolution of Revenue Forecast During Pandemic



Fiscal Year 2021 General Fund Using May 2020 Revenue Forecast Update

Estimated Beginning Balance	\$ 55,614,100	
Total Revenues	\$ 4,117,853,000	\$ 3,670,000,000
Total Transfers	\$ (56,505,500)	
FY 21 Appropriations	\$ (4,062,091,300)	
Estimated Ending Balance	\$ 54,870,300	\$ (392,982,700)

Options to Close a Revenue Gap

- Raise Taxes
 - Use Rainy Day Funds
 - Cut Spending
 - Leverage Federal Funds
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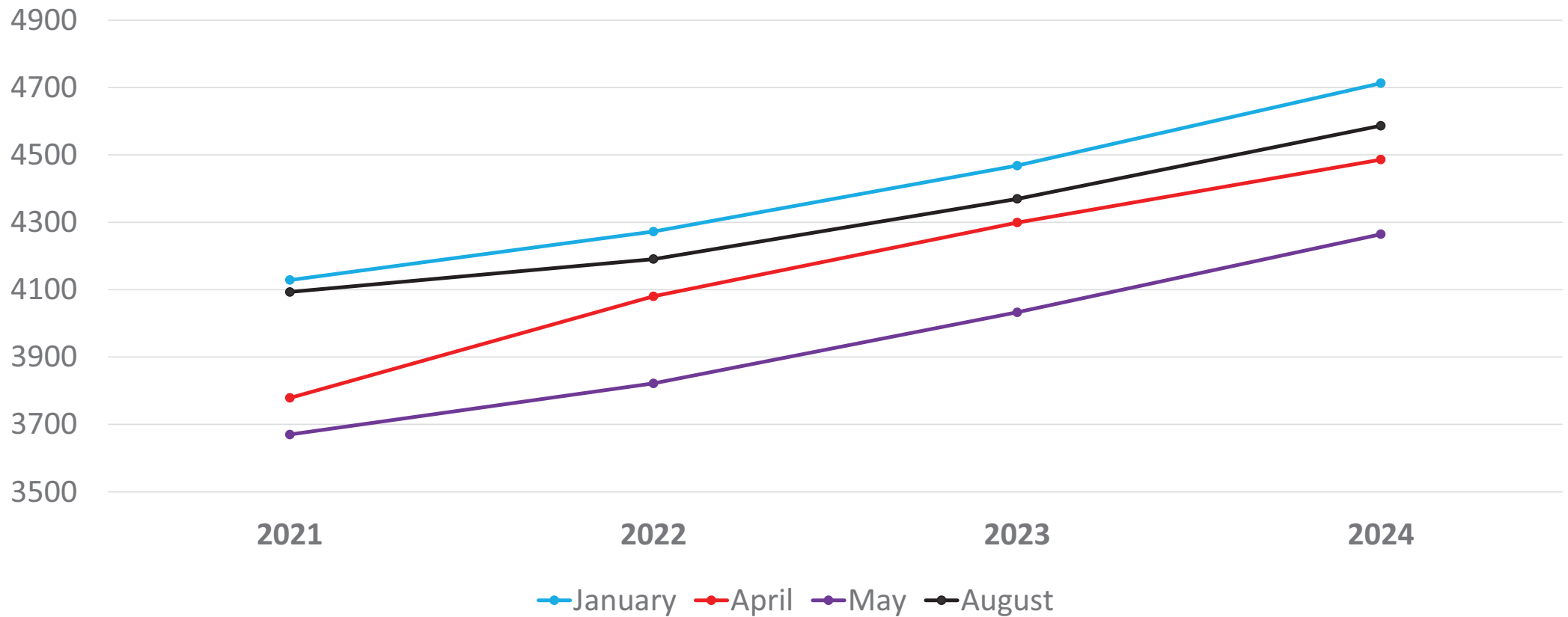
Leveraging Federal Funds

- Coronavirus Relief Fund - \$1.25 billion
- Can **only** be used for expenses that meet the following:
 - Incurred due to public health emergency
 - Not accounted for in most recent budget
 - Incurred from March 1 through December 30, 2020
- Can **not** be used for revenue replacement

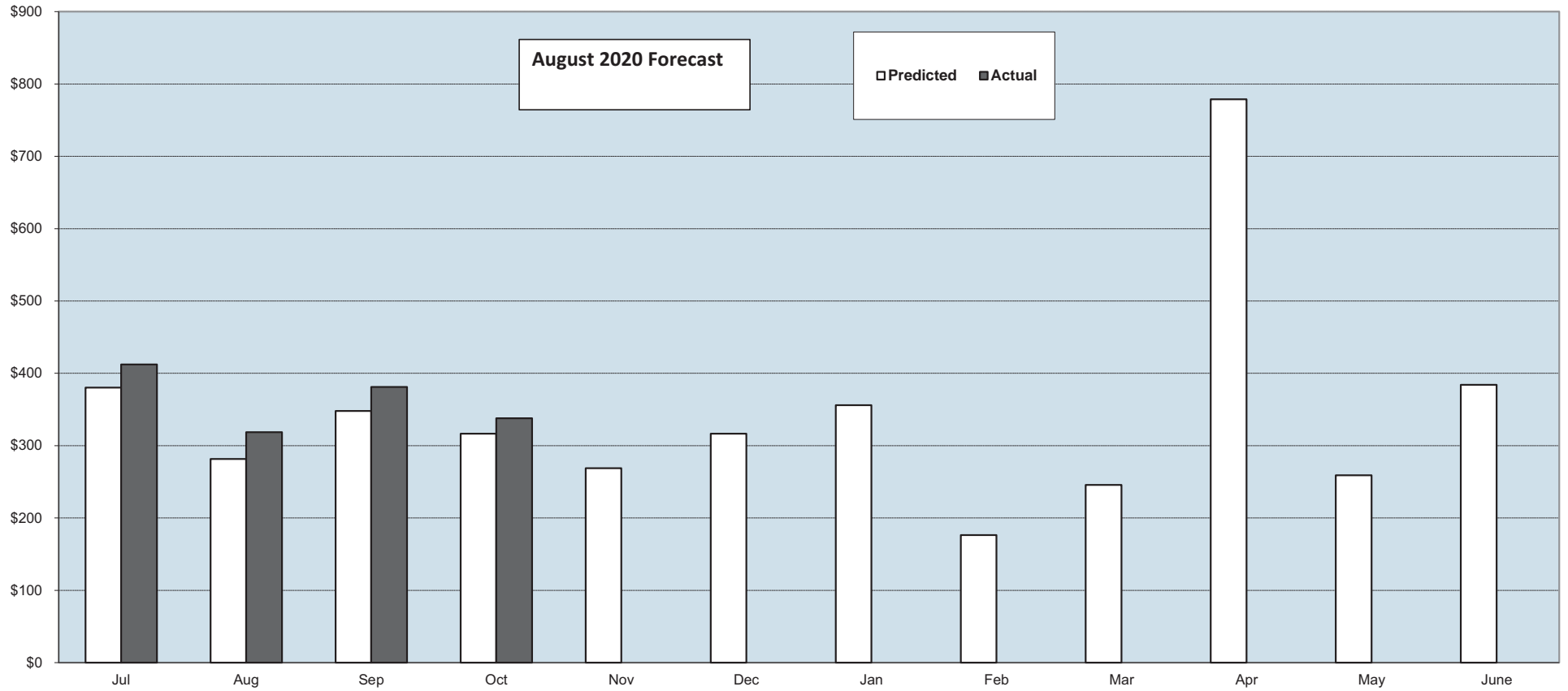
Leveraging Federal Funds

- Small Business Support - \$318 million
 - Unemployment Insurance Trust Fund - \$200 million
- Local Government Support - \$282 million
 - Governor's Public Safety Initiative - \$126 million
- Education and Safe Re-opening of Schools - \$220 million
- Broadband Infrastructure - \$50 million


Evolution of Revenue Forecast During Pandemic




FY 2021 General Fund Revenue Collections



Anatomy of the FY 2021 Projected Surplus

- Surplus from FY 20: \$131 million more than budgeted
 - Additional FY 20 Reversions: \$60 million
 - Supplemental Savings: \$29 million
 - Spending Reductions: \$195 million
 - Revenues Ahead of Forecast: \$117 million more than budgeted
 - Originally Budgeted Ending Balance: \$55 million
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Overview

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Considerations for FY 2022 Budget

- What will COVID trajectory look like?
- Will Congress extend deadline on relief funds?
- How much of our revenue is one-time due to record federal spending levels vs. ongoing revenue?
- Tax conformity is larger than usual (\$97 million)
- Medicaid expansion costs exceed the 2018 forecast (\$660 million)
- How to use one-time build up of Tax Relief Fund (\$125 million)

Questions

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