JLBC Staff – June Budget Update

Summary of the General Fund Budget Outlook

- In April, we projected that the COVID-19 recession would result in a $(1.1) billion shortfall by the end of FY 2021. Of that amount, $(638) million would be incurred in FY 2020 while FY 2021 would add another $(462) million to the shortfall.
- Since April, General Fund revenues have not fallen as much as expected. As a result, the new June budget forecast reduces the projected FY 2020 shortfall to $(190) million.
- If a Special Session does not occur by the end of June, the Executive has several administrative and federal funding options to address the FY 2020 shortfall.
- The new June forecast does not anticipate as rapid a recovery in FY 2021 as the April projection. The projected FY 2021 shortfall has increased to $(518) million.
- The ultimate level of the FY 2021 balance will be influenced by the future course of COVID-19, which cannot be predicted with any accuracy at this time.
- Given the uncertainty, the FY 2021 projected ending balance could vary from $0 to a $(1.0) billion shortfall.

Revenue Projections

We typically update our revenue and budget forecast each January, April and October. Given the rapidly changing economic environment, we are adding a June update this year. We normally utilize a 4-sector consensus revenue estimate consisting of 2 University of Arizona econometric models plus the projections of the Finance Advisory Committee (FAC) panelists and the JLBC Staff. Our June update utilizes this same process for FY 2021-FY 2023. Due to more June revenue data being available to the JLBC Staff compared to the other 3 sectors, the FY 2020 forecast is based solely on the JLBC Staff projection.

The FY 2020 and FY 2021 forecasting process is complicated by the extension of the income tax filing deadline from April 15 to July 15. In April, we forecasted that $676 million of income tax revenue collections would be shifted from FY 2020 to FY 2021. We now anticipate that shift is $600 million.

<u>4th Quarter FY 2020 Results</u>

The 2 main drivers of General Fund revenue growth – the Transaction Privilege Tax (TPT) and Individual Income Tax (IIT) withholding – have not dropped as precipitously as expected.

Due to the stay-at-home order and the closure of many businesses, JLBC Staff in April projected that 4th quarter FY 2020 TPT revenues would decline by (31)% compared to 2019. In May (reflecting April activity), TPT only dropped (10)%. As a result, we now project a (10)% decline for the 4th quarter.

The (10)% May revenue decline varied significantly by type of TPT. The largest drop occurred in lodging, which fell (81)% compared to May 2019. Not surprisingly, restaurant/bar collections were down (42)% in the same time period. Construction activity, however, remained strong and actually grew by 14% above the prior year. *See Table 1.*

Table 1

FY 2020 Q4 % Change by Category
Year-Over-Year Change

	April Forecast	June Forecast	April	May
Retail	(32)	(8)	(5)	(12)
Contracting	9	15	19	14
Use	(25)	(2)	(1)	8
Restaurant/Bar	(70)	(35)	(34)	(42)
Utilities	(6)	(7)	(4)	(8)
Lodging	(70)	(68)	(58)	(81)
Total	**(31)**	**(10)**	**(5)**	**(10)**

Half of TPT collections are related to retail sales, which fell by (12)% in May. The impact of the pandemic on retail sales varied considerably among the state's retail sectors. Clothing stores saw their May year-over-year collections decline (85)% . May Motor Vehicle TPT fell by (7)% compared to the prior year. Some retail sectors experienced an increase in sales. As an example, food and liquor stores reported a year-over-year increase in taxable sales of 14% in May. *See Table 2.*

Table 2

Taxable Sales by Retail Category

	Pre-COVID % Share of Taxable Retail Sales	(Y/Y % Change) April	(Y/Y % Change) May
Motor Vehicles	19	(18)	(7)
Furniture & Home Furnishings	6	(7)	(24)
Building Material, Lawn & Garden	8	5	19
Food & Liquor Stores	6	20	14
Clothing & Accessories	6	(50)	(85)
General Merchandise	13	(1)	(3)
Miscellaneous Retail	17	6	1
All Other	25	0	(19)
Total	**100**	**(5)**	**(12)**

Based on the projected decline in business activity, 4th quarter IIT withholding was also expected to fall (15)% year-over-year as part of JLBC's April forecast. In both April and May, withholding only fell by (3)% compared to 2019. While the state's employment level fell by (8)% in April and (6)% in May year-over-year, withholding did not experience a corresponding reduction. Job losses have primarily occurred in lower-paid retail, restaurant/bar and lodging employment, which may account for the withholding results. To provide some perspective, 54% of the state's total job losses in both April and May occurred in the leisure and hospitality industry. The average wage for employees in this industry is approximately 48% below the average rate for all employment sectors combined.

In terms of overall General Fund revenue, the April consensus forecast projected that FY 2020 revenues would fall by (8.5)% compared to FY 2019. Based on the greater-than-expected economic activity and adjustments in the IIT deferral, the June forecast now envisions a (3.7)% FY 2020 decline. With the June update, FY 2020 General Fund revenues are now forecasted to be $11.68 billion, including a $957 million carry-forward from FY 2019.

<u>FY 2021 Forecast</u>

While FY 2020's 4th quarter economic activity has begun to pick up, expectations for a rapid recovery in FY 2021 to pre-COVID-19 levels have declined. Nationwide, economists have greatly varying views on the pace of the expansion. Based on a survey of 34 economists by FiveThirtyEight and the University of Chicago, over 40% do not expect to recover fully until Calendar Year (CY) 2022. A third of the forecasters expect to reach that point in CY 2021 while a quarter anticipate full recovery will happen in CY 2023 or beyond. *See Table 3.*

Table 3

When will GDP Return to Pre-COVID Level?

	% of Panel *
Earlier than CY '21	2
CY '21	30
CY '22	43
Later than CY '22	25

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* Survey of 34 economists by FiveThirtyEight and the University of Chicago

The variability in forecasts reflects at least the following unknown factors:

- Potential for a 2nd COVID-19 wave and the federal and state policy response
- Availability and effectiveness of a future vaccine
- Willingness of the public to resume their normal activities

Under the April forecast, FY 2021 revenues were expected to grow by 11.0% over FY 2020. Given the uncertainties in the year ahead, FY 2021 revenues are now projected to increase by 4.4%. *See Table 4.* Under the June update, total FY 2021 General Revenues would be $11.05 billion, excluding any possible rollover of a FY 2020 shortfall.

In comparison, the enacted budget was based on $11.93 billion of General Fund revenues in FY 2021, excluding the carry-forward balance. Under the June update, that $11.93 billion revenue level would not be achieved until FY 2023.

Table 4				
Forecasted Revenue Growth Rate				
	'20	**'21**	**'22**	**'23**
Enacted Budget	3.6%	4.1%	3.3%	4.1%
April Forecast with Deferral	(8.5)%	11.0%	1.9%	5.4%
June Forecast with Deferral	(3.7)%	4.4%	4.4%	5.1%

See Appendix A for further details on the 4-sector projected growth rates and *Appendix B* for the projected dollar value of each revenue category.

Spending Projections

In addition to revising revenue projections, the JLBC Staff has also reviewed the spending estimates underlying the enacted budget and the April forecast. We have revised our estimates in 2 primary areas: 1) FY 2020 administrative adjustments and revertments, and 2) Medicaid spending.

FY 2020 Administrative Adjustments and Revertments

The JLBC Staff has revised its estimates of administrative adjustments and revertments for FY 2020. Administrative adjustments are expenditures made in the current fiscal year for services authorized and provided in the prior fiscal year, while revertments are unspent General Fund monies at the end of the fiscal year that are returned to the General Fund. Based on administrative adjustments reported thus far in FY 2020, we estimate that agencies will only have administrative adjustment expenditures totaling $28 million, or $(100) million less than the $128 million assumed in the enacted budget. The JLBC Staff is also increasing its revertment estimate from $(173) million to $(184) million. Combined, these 2 adjustments would reflect a $111 million FY 2020 gain to the forecast.

Medicaid Spending

The JLBC Staff has also revised its FY 2020-FY 2023 Medicaid spending estimates. The April forecast reflected savings associated with the federal government providing a 6.2% increase in the federal match rate through the end of the federal health emergency. In April, we assumed that the higher federal match rate would generate savings of $(237) million in FY 2020 and would continue through the end of FY 2021. The June update makes the following 2 changes:

- We have eliminated the specific assumption for $(237) million in FY 2020 federal match rate savings. As we analyze AHCCCS spending to date, they do not appear to be generating savings of that magnitude. We have folded any match rate savings into our revertment estimate.

- We now assume that the federal emergency, and therefore the higher federal match rate, will continue through March 2021. This timing estimate is currently used by the Congressional Budget Office in the scoring of the federal budget.

In addition, the April estimate assumed a higher cost to the state as AHCCCS enrollment would grow during the economic downturn. We projected that caseloads would increase by 15% from March through June 2020. During this time period, however, AHCCCS enrollment has only grown by 6%.

The April projections included 14% growth during FY 2021. The June update revises that estimate down to 12%.

In total, we now project that Medicaid spending will decline by $(189) million in FY 2021 compared to the enacted budget. Of that amount, the higher federal match rate will reduce AHCCCS costs by $(297) million, while the higher caseloads will cost $210 million for a net change of $(87) million. The match rate savings also applies to DES' Developmental Disabilities program, which reduces their expenses by $(102) million. Economic downturns do not typically affect Developmental Disabilities' caseload in the same manner as the AHCCCS program.

With the June update, General Fund expenditures are estimated at $11.87 billion in FY 2020 and $11.57 billion in FY 2021.

Projected Ending Balances

<u>FY 2020</u>

With total forecasted FY 2020 General Fund revenues of $11.68 billion and spending of $11.87 billion, we project a FY 2020 shortfall of $(190) million. Due to final accounting adjustments, the precise balance estimate will not be known with certainty until August or September.

If the Legislature does not reconvene into Special Session before the end of FY 2020, the Executive could employ one or more non-legislative approaches regarding the FY 2020 budget. One approach is to roll any FY 2020 shortfall into FY 2021 and resolve the problem next fiscal year. The Arizona Constitution permits this approach and was last used by the state to resolve the FY 2009 budget shortfall in FY 2010.

Several other solutions involve the use of federal Coronavirus Relief Fund (CRF) monies. As part of the Coronavirus Aid Relief and Economic Security (CARES) Act in March, the state received a total of $2.8 billion. These monies are available until December 2020 and can only be used for COVID-19 related expenses. The CARES Act provided $1 billion directly to Maricopa and Pima Counties and Phoenix, Tucson and Mesa. The remaining funds are under the control of the Governor. The Executive has allocated $441 million of these funds to local governments not qualifying for the direct CARES Act allocations.

The Executive could use the remaining $1.4 billion as follows to address the FY 2020 shortfall:

- Loan monies from the CRF to the General Fund. These monies would have to be paid back by December 30, 2020.
- Use the CRF to supplant current General Fund expenditures related to the pandemic. These freed up General Fund monies would revert to the General Fund, thereby improving the ending balance. Based on our understanding of permissible CRF spending, we estimate that $173 million of FY 2020 General Fund expenditures could be offset with this approach (plus another $266 million in FY 2021).
- Deposit CRF into the General Fund without any payback. This approach would require Congressional approval and <u>may</u> be considered during future negotiations on additional federal stimulus legislation.

<u>FY 2021</u>

Based on the June update, projected FY 2021 General Fund revenues are $11.05 billion compared to spending of $11.57 billion, thereby resulting in a shortfall of $(518) million. If the Executive chooses to roll the FY 2020 shortfall into FY 2021, we estimate that the FY 2021 deficit would become $(708) million. In April, we forecasted the combined FY 2020-2021 shortage to be $(1.1) billion. *See Appendix C* for the *FY 2020-2023 Statement of Revenues and Expenditures.*

As demonstrated by the change in the shortfall estimate in the last 2 months, the budget estimates remain volatile. While the current estimate for an FY 2021 shortfall is $(518) million without the FY 2020 rollover, the actual shortfall could range from $0 to $(1.0) billion.

<u>FY 2022 and FY 2023</u>

Under the June forecast, we anticipate that shortfalls would persist in future years. If no FY 2021 shortage is rolled into FY 2022, we project the FY 2022 shortfall at $(720) million. The FY 2023 deficit is currently forecast to be $(293) million. If any permanent revenue or spending adjustments reduce the FY 2021 shortfall, the FY 2022 and 2023 balances would improve by a corresponding amount. For example, $500 million in permanent FY 2021 gains would reduce the FY 2022 problem to $(220) million.

In addition, the current economic conditions may trigger a provision in Proposition 123. As approved by the voters in 2016, Proposition 123 dedicated additional permanent land trust monies to the Arizona Department of Education (ADE) through FY 2025. Proposition 123 also <u>allows</u> the Legislature to not inflate the dollar amount per child if the state's TPT growth rate and employment growth rate are both less than 2%. If both metrics are less than 1%, the Legislature <u>shall not</u> make an inflation adjustment. These calculations are made on a calendar year (CY) basis and then apply to the following fiscal year. For example, if these thresholds are met in CY 2020, the Proposition 123 provisions would apply to FY 2022.

The 3-year spending plan of the enacted FY 2021 budget includes $125 million for the regular inflation adjustment in FY 2022. Given the current uncertainty of the CY 2020 TPT and employment projections, we have not yet incorporated any changes to our FY 2022 ADE spending forecast.

June 19, 2020 FAC 4-Sector Consensus <u>With</u> Deferral

	FY 2020 *	FY 2021	FY 2022	FY 2023
Sales Tax				
JLBC Forecast	3.6%	1.7%	9.1%	5.1%
UA - Low	0.8%	-2.7%	8.5%	5.2%
UA - Base	1.4%	1.5%	9.5%	5.3%
FAC	3.6%	-0.7%	5.1%	4.5%
Average:	**2.3%**	**-0.1%**	**8.0%**	**5.0%**
Individual Income Tax with Deferral				
JLBC Forecast	-11.8%	17.6%	-2.4%	6.9%
UA - Low	-13.1%	13.0%	-0.3%	4.2%
UA - Base	-12.5%	17.1%	1.8%	4.6%
FAC	-13.7%	11.3%	5.4%	5.4%
Average:	**-12.8%**	**14.7%**	**1.1%**	**5.3%**
Corporate Income Tax				
JLBC Forecast	-2.0%	-15.5%	18.0%	8.4%
UA - Low	-4.0%	-19.8%	10.1%	10.4%
UA - Base	-3.8%	-13.0%	12.7%	13.5%
FAC	-4.0%	1.2%	4.0%	5.0%
Average:	**-3.4%**	**-11.8%**	**10.9%**	**9.2%**
Insurance Premium Tax				
JLBC Forecast	-2.4%	-2.0%	2.5%	3.0%
UA - Low	-4.2%	-2.8%	2.4%	2.5%
UA - Base	-3.8%	-2.4%	3.2%	3.3%
FAC	-4.6%	-1.6%	3.0%	3.6%
Average:	**-3.8%**	**-2.2%**	**2.8%**	**3.1%**
JLBC Weighted Average:	**-3.9%**	**7.2%**	**3.9%**	**5.9%**
UA Low Weighted Average:	**-5.9%**	**3.0%**	**4.3%**	**4.8%**
UA Base Weighted Average:	**-5.3%**	**7.1%**	**5.8%**	**5.2%**
FAC Consensus Weighted Average:	**-4.9%**	**4.2%**	**5.1%**	**4.9%**
"Big-4" Weighted Average:	**-5.0%**	**5.4%**	**4.8%**	**5.2%**
Consensus Weighted Average: **	**-4.8%**	**4.4%**	**4.4%**	**5.1%**

* JLBC forecast used as only sector for the FY 2020 revenue projection

** Represents ongoing revenue adjusted for small revenue categories

June 2020 4-Sector Forecast With Deferral

Appendix B

GENERAL FUND REVENUE - FY 2019 - FY 2021

FORECAST REVENUE GROWTH

($ in Thousands)

	ACTUAL FY 2019	% CHANGE PRIOR YR	FORECAST FY 2020	% CHANGE PRIOR YR	$ CHANGE PRIOR YR	FORECAST FY 2021	% CHANGE PRIOR YR	$ CHANGE PRIOR YR
Sales and Use	5,096,879.9	6.5%	5,279,871.6	3.6%	182,991.8	5,276,240.9	-0.1%	(3,630.7)
Income - Individual	5,009,020.6	10.2%	4,418,772.3	-11.8%	(590,248.3)	5,069,595.4	14.7%	650,823.0
- Corporate	514,264.1	37.8%	503,866.2	-2.0%	(10,397.9)	444,610.0	-11.8%	(59,256.2)
Property	29,683.3	-23.3%	24,855.1	-16.3%	(4,828.2)	25,001.8	0.6%	146.7
Luxury - Tobacco	21,040.8	-4.3%	21,764.0	3.4%	723.3	21,796.8	0.2%	32.8
- Liquor	37,259.4	3.4%	36,909.4	-0.9%	(350.0)	36,538.0	-1.0%	(371.4)
Insurance Premium	549,760.6	7.9%	536,453.6	-2.4%	(13,306.9)	524,627.6	-2.2%	(11,826.0)
Other Taxes	13,539.4	77.0%	13,568.2	0.2%	28.8	15,129.9	11.5%	1,561.7
Subtotal - Taxes	11,271,448.0	9.2%	10,836,060.5	-3.9%	(435,387.5)	11,413,540.4	5.3%	577,479.9
Other Non-Tax Revenues:								
Lottery	82,886.1	21.1%	103,594.7	25.0%	20,708.6	86,671.5	-16.3%	(16,923.2)
Licenses, Fees and Permits	32,019.5	-15.7%	32,188.9	0.5%	169.4	33,343.3	3.6%	1,154.4
Interest	53,106.7	141.3%	33,090.5	-37.7%	(20,016.2)	15,471.8	-53.2%	(17,618.6)
Sales and Services	24,054.0	-29.5%	22,019.3	-8.5%	(2,034.6)	21,228.8	-3.6%	(790.6)
Other Miscellaneous	111,313.8	2.8%	120,272.8	8.0%	8,959.0	121,153.1	0.7%	880.3
Transfers and Reimbursements	63,365.2	56.1%	96,204.3	51.8%	32,839.1	55,852.6	-41.9%	(40,351.6)
Public Safety Transfers	72,364.5	N/A	23,343.2	-67.7%	(49,021.3)	23,343.2	0.0%	0.0
Disproportionate Share Revenue	95,552.6	14.2%	104,253.8	9.1%	8,701.3	95,417.3	-8.5%	(8,836.5)
Subtotal - Other Non-Tax	534,662.3	35.3%	534,967.5	0.1%	305.2	452,482	-15.4%	(82,485.8)
Net Ongoing Revenue	**11,806,110.3**	**10.2%**	**11,371,028.0**	**-3.7%**	**(435,082.3)**	**11,866,022.1**	**4.4%**	**494,994.1**
Urban Revenue Sharing (URS)	(674,804.4)	N/A	(737,573.6)	N/A	(62,769.2)	(828,492.7)	N/A	(90,919.1)
Net Ongoing Revenue w/ URS	**11,131,305.9**	**10.9%**	**10,633,454.4**	**-4.5%**	**(497,851.5)**	**11,037,529.4**	**3.8%**	**404,075.0**
One-Time Financing Sources:								
Pre-2019 Enacted Fund Transfers	100,425.9	35.0%	1,840.7	-98.2%	(98,585.2)	0.0	-100.0%	(1,840.7)
Prescription Drug Rebate Fund Transfer	0.0	N/A	69,000.0	N/A	69,000.0	16,700.0	-75.8%	(52,300.0)
Wells Fargo Settlement Fund Transfer	0.0	N/A	20,000.0	N/A	20,000.0	0.0	-100.0%	(20,000.0)
Water Infrastructure Repayment	0.0	N/A	0.0	N/A	0.0	0.0	N/A	0.0
Subtotal - One-Time Financing Sources	100,425.9	35.0%	90,840.7	-9.5%	(9,585.2)	16,700.0	-81.6%	(74,140.7)
Subtotal - Revenues	**11,231,731.7**	**11.1%**	**10,724,295.1**	**-4.5%**	**(507,436.7)**	**11,054,229.4**	**3.1%**	**329,934.3**
Balance Forward	449,632.0	198.0%	957,241.0	112.9%	507,609.0	(190,236.7)	N/A	(1,147,477.7)
Total - Resources	**11,681,363.7**	**13.9%**	**11,681,536.1**	**0.0%**	**172.3**	**10,863,992.7**	**-7.0%**	**(817,543.4)**

June 2020 4-Sector Forecast With Deferral

Appendix B

GENERAL FUND REVENUE - FY 2022 - FY 2023

FORECAST REVENUE GROWTH

($ in Thousands)

	FORECAST FY 2022	% CHANGE PRIOR YR	$ CHANGE PRIOR YR	FORECAST FY 2023	% CHANGE PRIOR YR	$ CHANGE PRIOR YR
Sales and Use	5,701,339.1	8.1%	425,098.2	5,988,462.7	5.0%	287,123.6
Income - Individual	5,124,281.6	1.1%	54,686.2	5,394,836.2	5.3%	270,554.7
- Corporate	493,023.4	10.9%	48,413.4	538,479.2	9.2%	45,455.8
Property	25,150.6	0.6%	148.8	25,301.6	0.6%	151.0
Luxury - Tobacco	21,466.1	-1.5%	(330.7)	21,147.1	-1.5%	(319.0)
- Liquor	39,574.4	8.3%	3,036.4	40,653.3	2.7%	1,078.9
Insurance Premium	539,131.5	2.8%	14,503.8	555,871.1	3.1%	16,739.6
Other Taxes	16,878.6	11.6%	1,748.7	18,837.2	11.6%	1,958.6
Subtotal - Taxes	11,960,845.3	4.8%	547,304.9	12,583,588.4	5.2%	622,743.1
Other Non-Tax Revenues:						
Lottery	91,194.3	5.2%	4,522.8	101,387.7	11.2%	10,193.5
Licenses, Fees and Permits	34,064.1	2.2%	720.8	34,827.4	2.2%	763.2
Interest	10,181.9	-34.2%	(5,289.9)	8,288.4	-18.6%	(1,893.5)
Sales and Services	20,558.5	-3.2%	(670.3)	19,999.9	-2.7%	(558.5)
Other Miscellaneous	117,315.6	-3.2%	(3,837.5)	120,903.9	3.1%	3,588.2
Transfers and Reimbursements	57,679.8	3.3%	1,827.2	59,628.7	3.4%	1,948.9
Public Safety Transfers	0.0	-100.0%	(23,343.2)	0.0	N/A	0.0
Disproportionate Share Revenue	95,474.3	0.1%	57.0	95,644.9	0.2%	170.6
Subtotal - Other Non-Tax	426,468.6	-5.7%	(26,013.2)	440,681.0	3.3%	14,212.5
Net Ongoing Revenue	**12,387,313.8**	**4.4%**	**521,291.7**	**13,024,269.4**	**5.1%**	**636,955.6**
Urban Revenue Sharing (URS)	(738,395.8)	N/A	90,096.9	(827,130.8)	N/A	(88,735.0)
Net Ongoing Revenue w/ URS	**11,648,918.0**	**5.5%**	**611,388.6**	**12,197,138.6**	**4.7%**	**548,220.6**
One-Time Financing Sources:						
Pre-2019 Enacted Fund Transfers	0.0	N/A	0.0	0.0	N/A	0.0
Prescription Drug Rebate Fund Transfer	16,700.0	0.0%	0.0	16,700.0	0.0%	0.0
Wells Fargo Settlement Fund Transfer	0.0	N/A	0.0	0.0	N/A	0.0
Water Infrastructure Repayment	20,000.0	N/A	20,000.0	0.0	-100.0%	(20,000.0)
Subtotal - One-Time Financing Sources	36,700.0	119.8%	20,000.0	16,700.0	-54.5%	(20,000.0)
Subtotal - Revenues	**11,685,618.0**	**5.7%**	**631,388.6**	**12,213,838.6**	**4.5%**	**528,220.6**
Balance Forward	-	N/A	190,236.7	-	N/A	0.0
Total - Resources	**11,685,618.0**	**7.6%**	**821,625.3**	**12,213,838.6**	**4.5%**	**528,220.6**

Statement of General Fund Revenues and Expenditures 1/
With One-Time Financing Sources

Appendix C

	FY 2020 June Update	FY 2021 June Update	FY 2022 June Update	FY 2023 June Update
REVENUES				
Ongoing Revenues	$11,371,028,000	$11,866,022,100	$12,387,313,800	$13,024,269,400
Urban Revenue Sharing	(737,573,600)	(828,492,700)	(738,395,800)	(827,130,800)
Net Ongoing Revenues	$10,633,454,400	$11,037,529,400	$11,648,918,000	$12,197,138,600
One-time Financing Sources				
Balance Forward	957,241,000	(190,236,700)		
Wells Fargo Settlement	20,000,000			
Water Infrastructure Repayment			20,000,000	
Fund Transfers	70,840,700	16,700,000	16,700,000	16,700,000
Subtotal One-time Revenues	$1,048,081,700	($173,536,700)	$36,700,000	$16,700,000
Total Revenues	$11,681,536,100	$10,863,992,700	$11,685,618,000	$12,213,838,600
EXPENDITURES				
Ongoing Operating Appropriations	$10,838,429,200	$11,469,518,500	$12,002,878,300	$12,350,613,100
FY 2020 Supplementals/Ex-Approp.	46,459,700			
Enhanced FMAP/Caseload Adjustments		(189,000,000)	269,000,000	115,000,000
Administrative Adjustments	28,000,000	146,000,000	155,000,000	162,000,000
Revertments	(184,000,000)	(184,000,000)	(192,000,000)	(198,000,000)
Subtotal Ongoing Expenditures	$10,728,888,900	$11,242,518,500	$12,234,878,300	$12,429,613,100
One-time Expenditures				
Capital Outlay	4,575,000	11,000,000		
Transportation Funding	95,310,000			
Reduce K-12 Rollover (Enacted)			30,000,000	
Budget Stabilization Fund Deposit	271,107,000			
2010B Debt Payoff	190,000,000			
Operating One-Time Spending	501,275,000	275,373,600	120,370,000	76,876,700
FY 2020 One-Time Supplementals	80,616,900			
Additional (27th) Pay Period		43,078,600	20,052,100	
Subtotal One-time Expenditures	$1,142,883,900	$329,452,200	$170,422,100	$76,876,700
Total Expenditures	$11,871,772,800	$11,571,970,700	$12,405,300,400	$12,506,489,800
Ending Balance 2/	($190,236,700)	($707,978,000)	($719,682,400)	($292,651,200)
Ongoing Balance 3/	*($95,434,500)*	*($204,989,100)*	*($585,960,300)*	*($232,474,500)*

1/ Significant one-time revenues and expenditures are separately detailed so as to permit the calculation of ongoing revenue and expenditures.
2/ This calculation reflects the difference between total revenues and total expenditures. Excludes any Budget Stabilization Fund balance.
3/ This calculation reflects the difference between ongoing revenues and ongoing expenditures and excludes one-time adjustments. The Legislature makes the ongoing and one-time classifications as part of its 3-year spending plan. Excludes any Budget Stabilization Fund balance.