

# Legislative Budget Office of the Legislative Service Commission

## LBO BUDGET FOOTNOTES INFOGRAPHIC

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- ◆ GRF tax revenues came in below estimate for the second consecutive month, posting a negative variance of \$70.5 million (2.7%) in January that followed a negative variance of \$263.7 million (11.5%) in December. For the year-to-date (YTD), GRF tax revenues had a negative variance of \$89.4 million (0.5%).
- ◆ The personal income tax is the main culprit behind both the monthly and YTD GRF tax variances. This tax was below estimate in January by \$57.6 million (5.1%) and below the YTD variance by \$159.6 million (2.6%).
- ◆ The sales and use tax also had a negative variance in January, falling below the monthly estimate by \$18.5 million (1.5%), decreasing its YTD positive variance to \$36.1 million (0.4%). The commercial activity tax, however, was above estimate for both January (\$13.9 million, 12.6%) and YTD (\$77.7 million, 6.0%).
- ◆ The state's nontax revenue, driven by higher than expected earnings on investment, had a positive YTD variance of \$190.0 million (94.3%). Federal grants, however, were below the YTD estimate by \$403.8 million (4.8%). Total YTD GRF sources were under estimate by \$296.2 million (1.2%).
- ◆ On the other side of the ledger, GRF program expenditures were also under estimate for both the month and YTD, by \$263.7 million (7.1%) and \$907.8 million (3.4%), respectively.
- ◆ GRF Medicaid spending is the main driver of the negative program expenditure variances with a negative January variance of \$235.1 million (11.8%), pushing up the YTD negative variance to \$537.2 million (4.1%). All other program categories were also under their YTD estimates.
- ◆ YTD non-GRF Medicaid spending was also under estimate (\$413.0 million, 4.1%), resulting in a negative YTD variance in all funds Medicaid spending of \$950.2 million (4.1%).
- ◆ Transfers out were above the YTD estimate by \$986.7 million (17.6%) due to the timing of transfers to support capital spending, resulting in total GRF uses being above the YTD estimate by \$78.9 million (0.2%).

### GRF & Medicaid Variances – Actual vs. Estimate

#### Tax revenue

**-\$70.5 million**  
-2.7% ↓

#### Federal grants

**-\$161.7 million**  
-13.1% ↓

#### Total GRF sources

**-\$159.5 million**  
-4.0% ↓

#### Program expenditures

**-\$263.7 million**  
-7.1% ↓

#### Month of January

#### Total GRF uses

**-\$263.5 million**  
-7.0% ↓

#### GRF Medicaid

**-\$235.1 million**  
-11.8% ↓

#### Non-GRF Medicaid

**-\$118.9 million**  
-8.4% ↓

#### All funds Medicaid

**-\$354.0 million**  
-10.4% ↓

#### Tax revenue

**-\$89.4 million**  
-0.5% ↓

#### Federal grants

**-\$403.8 million**  
-4.8% ↓

#### Total GRF sources

**-\$296.2 million**  
-1.2% ↓

#### Program expenditures

**-\$907.8 million**  
-3.4% ↓

#### YTD through January

#### Total GRF uses

**\$78.9 million**  
0.2% ↑

#### GRF Medicaid

**-\$537.2 million**  
-4.1% ↓

#### Non-GRF Medicaid

**-\$413.0 million**  
-4.1% ↓

#### All funds Medicaid

**-\$950.2 million**  
-4.1% ↓